

<i>SERFF Tracking Number:</i>	<i>ERCB-125783615</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Westport Insurance Corporation, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>9-CP-AR-08-03879-1-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property Form Filing - 08-03879</i>		
<i>Project Name/Number:</i>	<i>Commercial Property Form Filing - 08-03879/9-CP-AR-08-03879-1-F</i>		

Filing at a Glance

Companies: Westport Insurance Corporation, North American Specialty Insurance Company, North American Elite Insurance Company

Product Name: Commercial Property Form Filing - 08-03879	SERFF Tr Num: ERCB-125783615	State: Arkansas
TOI: 01.0 Property	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)	Co Tr Num: 9-CP-AR-08-03879-1-F	State Status: Fees verified and received
Filing Type: Rate/Rule	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins
	Author: Linda Snook	Disposition Date: 09/30/2008
	Date Submitted: 09/26/2008	Disposition Status: Approved
Effective Date Requested (New): 11/01/2008		Effective Date (New): 11/01/2008
Effective Date Requested (Renewal): 11/01/2008		Effective Date (Renewal): 11/01/2008

State Filing Description:

Forms: 9

General Information

Project Name: Commercial Property Form Filing - 08-03879	Status of Filing in Domicile:
Project Number: 9-CP-AR-08-03879-1-F	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 09/30/2008	
State Status Changed: 09/26/2008	Deemer Date:
Corresponding Filing Tracking Number: n/a	
Filing Description:	
The purpose of this filing is to submit a form for our new Country Inns, Bed & Breakfast, and Cabin Resort Program for Westport Insurance Corporation, North American Specialty Insurance Company and North American Elite Insurance Company. SP 3 299, is being filed for these special hotel classes. This endorsement adds several coverages, as	

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outlined in the form. This form is optional for bed and breakfast accounts.

We are also submitting for approval revised forms for our generic commercial property program. The following phrast has been added "The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit."

Company and Contact

Filing Contact Information

Linda Snook, P&RS Specialist	linda_snook@swissre.com
5200 Metcalf	(800) 255-6931 [Phone]
Overland Park, KS 66201	(913) 676-6226[FAX]

Filing Company Information

Westport Insurance Corporation	CoCode: 39845	State of Domicile: Missouri
5200 Metcalf	Group Code: 181	Company Type:
Overland Park, KS 66201	Group Name: Swiss Re	State ID Number:
(800) 255-6931 ext. [Phone]	FEIN Number: 48-0921045	

North American Specialty Insurance Company	CoCode: 29874	State of Domicile: New Hampshire
5200 Metcalf	Group Code: 181	Company Type:
Overland Park, KS 66201	Group Name: Swiss Re	State ID Number:
(800) 255-6931 ext. [Phone]	FEIN Number: 02-0311919	

North American Elite Insurance Company	CoCode: 29700	State of Domicile: New Hampshire
5200 Metcalf	Group Code: 181	Company Type:

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Overland Park, KS 66201	Group Name: Swiss Re	State ID Number:
(800) 255-6931 ext. [Phone]	FEIN Number: 13-3440360	

SERFF Tracking Number: *ERCB-125783615* *State:* *Arkansas*
First Filing Company: *Westport Insurance Corporation, ...* *State Tracking Number:* *EFT \$50*
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TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Commercial Property Form Filing - 08-03879*
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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50 per filing
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Westport Insurance Corporation	\$50.00	09/26/2008	22751903
North American Specialty Insurance Company	\$0.00	09/26/2008	
North American Elite Insurance Company	\$0.00	09/26/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	09/30/2008	09/30/2008

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Disposition

Disposition Date: 09/30/2008
Effective Date (New): 11/01/2008
Effective Date (Renewal): 11/01/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Form	Commercial Property Extra Crime Coverage Endorsement	Approved	Yes
Form	Commercial Property Extra Coverage Endorsement	Approved	Yes
Form	Fraternal Commercial Property Extra Coverage Endorsement	Approved	Yes
Form	Fraternal Commercial Property Extra Crime Coverage Endorsement	Approved	Yes
Form	Increased Limits for Property Coverages	Approved	Yes
Form	Commercial Property Extra Coverage Form - Hotel/Motel	Approved	Yes
Form	Commercial Property Extra Coverage Endorsement - Manufacturers & Distributors	Approved	Yes
Form	Restaurant Extension Endorsement	Approved	Yes
Form	Innkeepers Property Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Commercial Property Extra Crime Coverage Endorsement	SP 1 919	0508	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SP 1 919 0302 Previous Filing #:		SP 1 919 0508.pdf
Approved	Commercial Property Extra Coverage Endorsement	SP 1 920	0508	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SP 1 920 0307 Previous Filing #:		SP 1 920 0508.pdf
Approved	Fraternal Commercial Property Extra Coverage Endorsement	SP 1 921	0508	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SP 1 921 0302 Previous Filing #:		SP 1 921 0508.pdf
Approved	Fraternal Commercial Property Extra Crime Coverage Endorsement	SP 1 922	0508	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SP 1 922 0302 Previous Filing #:		SP 1 922 0508.pdf
Approved	Increased Limits for Property Coverages	SP 1 931	0508	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SP 1 931 0302 Previous Filing #:		SP 1 931 0508.pdf
Approved	Commercial Property Extra Coverage Form - Hotel/Motel	SP 3 667	0508	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SP 3 667 1205 Previous Filing #:		SP 3 667 0508.pdf
Approved	Commercial Property Extra Coverage Endorsement - Manufacturers & Distributors	SP 3 669	0508	Endorsement/Amendment/Conditions	Replaced Form #:0.00 SP 3 669 1205 Previous Filing #:		SP 3 669 0508.pdf

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Approved	Restaurant	SP 3 883	0508	Endorseme Replaced	Replaced Form #:0.00	SP 3 883
	Extension			nt/Amendm	SP 3 883 0307	0508.pdf
	Endorsement			ent/Condi	Previous Filing #:	
				ons		
Approved	Innkeepers	SP 3 299	0508	Endorseme New	0.00	SP 3 299
	Property			nt/Amendm		0508.pdf
	Endorsement			ent/Condi		
				ons		

[Insert Company Name Here]

COMMERCIAL PROPERTY EXTRA CRIME COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM**

I. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is changed as follows:

The following Additional Coverages are added:

The following are added under **A. Coverage, 4. Additional Coverages**:

a. MONEY AND SECURITIES

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) The most we will pay for loss in any one occurrence is:
 - (a) \$50,000 for "money" and "securities" while in or on the described premises or within a bank or savings institution; and
 - (b) \$25,000 for "money" and "securities" while anywhere else.The amount payable under this Additional Coverage is additional insurance.
- (3) All loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;is considered one occurrence.
- (4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (5) The following additional exclusions apply to the Money and Securities Additional Coverage: We will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;

- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any "money" - operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

b. EMPLOYEE DISHONESTY

- (1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons with the manifest intent to:
 - (a) Cause you to sustain loss or damage; and also
 - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (i) Any employee; or
 - (ii) Any other person or organization.
- (2) The most we will pay for loss or damage in any one occurrence is \$150,000. The amount payable under this Additional Coverage is additional insurance.
- (3) All loss or damage:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;is considered one occurrence.
- (4) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (5) This Additional Coverage does not cover:
 - (a) Acts committed by you, your partners or your members
Loss resulting from theft or any other dishonest act committed by:
 - (1) You; or
 - (2) Any of your partners or members whether acting alone or in collusion with other persons.
 - (b) Acts of employees learned of by you prior to the policy period.

Loss caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any or your partners, members, managers, officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the declarations.

- (6) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- (7) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (8) The insurance under paragraph (7) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.
- (9) The following additional exclusions apply:

We will not pay for loss or damage:

 - (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
 - (2) The only proof of which as to its existence or amount is an inventory computation or a profit and loss computation.

Exclusion B.2.h. regarding dishonest acts, in the Causes of Loss – Special Form does not apply to the extent that coverage is provided under this Additional Coverage.

c. ERISA – EMPLOYEE DISHONESTY

We shall include as a Named insured under the Employee Dishonesty Additional Coverage any:

- (1) Employee Welfare Benefit Plan, and
- (2) Employee Pension Benefit Plan,

owned, controlled or operated by you which you provide solely for the benefit of your employees (hereinafter collectively called "Plan").

This insurance does not increase the Limit of Insurance under the Employee Dishonesty Additional Coverage. ERISA - Employee Dishonesty does not provide fiduciary liability insurance.

The following provisions shall apply to ERISA - Employee Dishonesty Coverage.

- (1) Employee as used in ERISA - Employee Dishonesty shall also include any natural person who is:

- (a) a trustee, an officer, employee, administrator, volunteer, or a manager, except an administrator or a manager who is an independent contractor, of any Plan insured under this insurance, and
 - (b) Your director or trustee other than a fiduciary while that person is handling funds or other property of any Plan insured under this insurance.
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
 - (3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
 - (4) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) sustained by two or more Plans; or
 - (b) of commingled funds or other property of two or more Plans that arises out of one "occurrence," is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
 - (5) Any applicable Deductible to the Employee Dishonesty Additional Coverage does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.
 - (6) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for the Employee Dishonesty Additional Coverage.

d. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY

We will pay for loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any loss under this Additional Coverage is \$25,000. The amount payable under this Additional Coverage is additional insurance.

e. FORGERY AND ALTERATION

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money," that you or your agent has issued or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money," on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$150,000. The amount payable under this Additional Coverage is additional insurance.

II. For the purposes of this endorsement, the following additional **DEFINITIONS** are applicable:

1. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
2. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money."

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

[Insert Company Name Here]

COMMERCIAL PROPERTY EXTRA COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

I. The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is changed as follows:

A. **Section A. Coverage, 1. Covered Property**

1. The following is added to paragraph **A. 1. a. (2)**:
 - (2) fences, exterior lighting fixtures or poles (whether freestanding or attached to the building) and yard fixtures;
2. Paragraph **A.1. a. (5) (b)** is amended to change 100 feet to 1000 feet.
3. Paragraph **A.1. a.** is amended to include the following:

(6) **BUILDING GLASS**

Glass, including lettering or ornamentation, that is part of the exterior or interior of the building or structure described in the Declarations. If you are a tenant and no Building Limit of Insurance is shown in the Declarations, A. Coverage 1. Covered Property paragraph b. Your Business Personal Property is changed to include building glass, if it is owned by you or owned by others but in your care, custody or control.

We will also pay for necessary:

- a. Expenses incurred to put up temporary plates or board up openings;
- b. Repair or replacement of encasing frames; and
- c. Expenses incurred to remove or replace obstructions.

(7) **OUTDOOR SIGNS**

Outdoor signs whether or not attached to buildings. If you are a tenant and no Building Limit of Insurance is shown in the Declarations, A. Coverage 1. Covered Property paragraph b. Your Business Personal Property is changed to include outdoor signs.

4. Paragraph **A. 1. c. (2)** is amended to change 100 feet to 1000 feet.

Section A. Coverage, 2, Property Not Covered

1. Paragraph **A. 2. a.** does not apply to the coverage afforded under **A.5.h.**, Accounts Receivable Coverage Extension

2. Paragraph **A. 2. d.** is amended to add the following:
"except as provided in the Coverage Extensions."
3. Paragraph **A. 2. j.** is amended to add the following:
"except as provided in the Coverage Extensions."
4. Paragraph **A. 2. l.** is amended to add the following:
"except as provided in the Coverage Extensions."
5. Paragraph **A. 2. q.** is amended to delete fences.

Section **A. Coverage, 4, Additional coverages** is amended as follows:

1. In paragraph **A. 4. a. (4) Debris Removal**, the reference to \$10,000 is changed to \$25,000
2. In paragraph **A. 4. a. (5) Debris Removal**, Example #2 is replaced with the following:

Example #2

Limit of Insurance		\$500,000
Amount of Deductible		\$500
Amount of Loss		\$445,000
Amount of Loss Payable		\$444,500
		(\$445,000 - \$500)
Debris Removal Expense		\$165,000
Debris Removal Expense Payable	Basic Limit	\$55,500
	Additional Limit	\$25,000

The basic amount payable for debris removal expense under the terms of paragraph (3) is calculated as follows: \$445,000 (\$444,500 + \$500) x .25 = \$111,250; capped at \$55,500. The cap applies because the sum of the loss payable (\$444,500) and the basic amount payable for debris removal expense (\$55,500) cannot exceed the Limit of Insurance (\$500,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of paragraph (4), because the debris removal expense (\$165,000) exceeds 25% of the loss payable plus the deductible (\$165,000 is 37.1% of \$445,000), and because the sum of the loss payable and debris removal expense (\$444,500 + \$165,000 = \$609,500) would exceed the Limit of Insurance (\$500,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under paragraph (4). Thus the total payable for debris removal expense in this example is \$80,500; \$84,500 of the debris removal expense is not covered.

3. Paragraph **A. 4. c. FIRE DEPARTMENT SERVICE CHARGE**, is amended to change the \$1,000 to \$25,000.
4. Paragraph **A. 4. d. POLLUTANT CLEAN UP AND REMOVAL**, is amended to change the \$10,000 to \$25,000.

Section A. Coverage, 4, Additional Coverages is amended to include the following:

g. **Fire Extinguishing Equipment Recharge Expense:**

We will pay your expenses to recharge your portable fire extinguishing equipment or your automatic fire extinguishing system, including the cost of hydrostatic testing if required, or to replace them if that is less than the cost of recharge. The recharge must be necessary because of discharge caused by or resulting from a Covered Cause of Loss, including its use to control or prevent a fire, or because of accidental discharge, at or within 1,000 feet of the described premises.

We will also pay your expenses to clean up the described premises and restore it to the original condition that existed prior to a discharge.

The most we will pay under this Additional Coverage in any one occurrence is \$5,000 for recharge or replacement expense and \$5,000 for clean-up expenses. The amounts payable under this Additional Coverage are additional insurance. No Deductible applies to this Additional Coverage.

h. **Reward Payment:**

We will pay a reward for information which leads to the arrest and conviction of any person for committing a crime which results in a loss of or damage to Covered Property from a Covered Cause of Loss. We will also pay a reward for the return of stolen Covered Property if theft is a Covered Cause of Loss.

But we will not pay rewards to:

- (1) You or any of your family members;
- (2) Any of your employees or their family members;
- (3) An employee of a law enforcement agency or a security or property protection business;
- (4) Any person having custody of the Covered Property at the time a theft was committed; or
- (5) Any person involved in the crime.

Regardless of the number of persons who provide such information, the most we will pay for rewards in any one loss is \$10,000. But we will not pay more for a reward than the lesser of the value of the Covered Property, as determined by the applicable loss settlement procedure, or the amount required to repair or replace it. The amount payable under this Additional Coverage is additional insurance.

i. **Limited Water Damage:**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from:

- (1) Water that backs up from a sewer, drain or sump; or
- (2) Water under the ground surface pressing on, or flowing or seeping through:
 - (i) Foundations, walls, floors or paved surfaces;
 - (ii) Basements, whether paved or not; or

- (iii) Doors, windows or other openings.

The most we will pay for each described premises for the sum of all loss under this Additional Coverage during each separate 12 month period of this policy is \$25,000. This Additional Coverage is included within the Limit of Insurance applicable to the premises where the damage occurs.

To the extent that a part of the Water Exclusion might conflict with the coverage provided under this endorsement, that part of the Water Exclusion does not apply.

j. **Theft Damage to Buildings:**

If you are a tenant and no Building Limit of Insurance is shown in the Declarations, we will pay for damage at the described premises caused directly by theft or attempted theft to:

- (1) That part of any building containing Covered Property; or
- (2) Equipment within the building used to maintain or service the building;

if a contract or lease makes you legally responsible for the damage.

But we will not pay under this Additional Coverage for damage caused by fire, or damage to glass or to lettering or artwork on glass.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

k. **Temporary Relocation of Property:**

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss at another location where it is in storage for up to 90 days while the described premises is being repaired, renovated or remodeled. This 90 day period includes any coverage period provided under the Preservation of Property Additional Coverage. This Additional Coverage is included within the Limit of Insurance applicable to the premises from which the property was moved.

l. **Brands and Labels:**

If branded or labeled merchandise that is Covered Business Personal Property is damaged by a Covered Cause of Loss and we take all or any part of the damaged merchandise at an agreed or appraised value as part of the loss settlement, we will pay your expense to:

- (1) Stamp 'salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels if doing so will not physically damage the merchandise or its containers. You must relabel the merchandise or its containers to comply with the law.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

m. **Temperature Change:**

We will pay for direct physical loss of or damage to Covered Business Personal Property at the described premises caused by or resulting from a change in temperature or humidity, if the change in temperature or humidity results from:

- (1) Mechanical breakdown or mechanical failure of refrigerating, cooling, heating or humidity control apparatus or equipment; or
- (2) The complete or partial interruption of electrical power, either on or off the described premises.

But this Additional Coverage does not apply to loss of or damage to "perishable stock." As used in this Additional Coverage, "perishable stock" means personal property maintained under controlled temperature conditions below 50 degrees Fahrenheit for its preservation, and susceptible to loss or damage if the controlled temperature or humidity conditions change.

The most we will pay under this Additional Coverage is \$25,000. This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the loss occurs.

n. **Ordinance or Law:**

- (1) If a Covered Cause of Loss occurs to covered Building property, we will pay:

- (a) Loss to the Undamaged Portion of the Building.

For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- (i) requires the demolition of parts of the same property not damaged by a Covered Cause of Loss, regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (ii) is in force at the time of loss.

- (b) Demolition Cost Coverage

The cost to demolish and clear the site of undamaged parts of the Building property caused by enforcement of building, zoning or land use ordinance or law.

- (c) Increased Cost of Construction Coverage

The increased cost to repair or reconstruct damaged portions of that Building property, or to reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required, when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However, Increased Cost of Construction Coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law. We will not pay for the increased cost of construction until the property is actually repaired or replaced, at the same or other premises. If you elect to rebuild at another premises, we will not pay more than the increased cost of construction at the same premises.

- (2) Under this Ordinance or Law Additional Coverage, we will not pay for:

- (a) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

- (b) Loss due to any ordinance or law that you were required to comply with before the loss, even if the building was undamaged, and you failed to comply with.
- (3) Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance applicable to the covered Building property.

Demolition Cost Coverage and Increased Cost of Construction Coverage are additional insurance. The most we will pay for any loss under each of these Coverages is \$25,000. The Coinsurance Additional Condition does not apply to Demolition Cost Coverage and Increased Cost of Construction Coverage.

- (4) With respect to this Additional Coverage:
 - (a) For loss in value of the undamaged portion of the building, we will not pay more than:
 - (i) If the Replacement Cost Optional Coverage applies, the amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured, if the property is repaired or replaced on the same or another premises; or
 - (ii) If the Replacement Cost Optional Coverage does not apply, or if the property is not repaired or replaced, the actual cash value of the building at the time of loss.
 - (b) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - (c) With respect to the Increased Cost of Construction:
 - (i) We will not pay for the Increased Cost of Construction until the property is actually repaired or replaced at the same or another premises, and unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, we will not pay more than the increased cost of construction at the same premises.
 - (iii) If the ordinance or law requires relocation to another premise, we will not pay more than the increased cost of construction at the new premises.

The second sentence under Section E., Loss Conditions, Sub-section 7, Valuation paragraph b., and all of Section G., Optional Coverage, sub-section 3. Replacement Cost, paragraph f., regarding the increased cost attributable to enforcement of an ordinance or law, do not apply to this Ordinance or Law Additional Coverage. The terms of this Additional Coverage apply separately to each covered Building.

o. Utility Services (Property Damage):

We will pay for loss of or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the scheduled premises:

- (1) Water Supply Services, meaning the following types of property supplying water to the scheduled premises:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the scheduled premises, such as:
 - (a) Communication transmission lines, including optic fiber transmission lines and overhead transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
- (3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the scheduled premises:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, including overhead transmission lines.
- (4) The most we will pay under this Additional Coverage is \$100,000. This Additional Coverage is included within the Limit of Insurance applicable to Covered Property at the premises where the loss occurs.

p. **Fine Arts:**

We will pay for direct physical loss of or damage to "fine arts" caused by or resulting from a Covered Cause of Loss. Exclusions and limitations relating to this coverage are described in paragraphs III. B. and III. C. of this endorsement.

As used in this Additional Coverage, "fine arts" means works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac, and similar articles.

The most we will pay for loss or damage under this Additional Coverage is \$25,000. This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the loss occurs.

q. **Mercantile Stock Sold:**

The following is added to **Section E. Loss Conditions, Sub-section 7. VALUATION:**

We will determine the value of Covered Property that is goods you have sold but not delivered, in the event of loss or damage, at:

- a. The selling price, if no loss or damage occurred;
- b. Less discounts and expenses you otherwise would have had.

Section **A. Coverages, 5. Coverages Extension** is amended as follows:

- 1. Paragraph **A. 5.** the first paragraph reference to 100 feet is amended to 1000 feet.
- 2. Paragraph **A. 5. a. (1)** the \$250,000 limit in the last paragraph is amended to \$1,000,000.
- 3. Paragraph **A. 5. a. (2)** (a) the \$100,000 limit in the last paragraph is amended to \$1,000,000.
- 4. Paragraph **A. 5. a. (3) (b)** the reference to 30 days is amended to 90 days.
- 5. Paragraph **A. 5. b. (1)** is amended to remove the last sentence. The reference to \$2,500 in the last paragraph of **A. 5. b.** is amended to \$25,000.
- 6. Paragraph **A. 5. c. Valuable Papers and Records** (Other Than Electronic Data), (4) the reference to \$2,500 is amended to \$50,000.
- 7. Paragraph **A. 5. d. Property Off-Premises**, (3) the reference to \$10,000 is amended to \$25,000.
- 8. Paragraph **A. 5. e. Outdoor Property** is amended to include **bulkheads, pilings, piers, wharves and docks as covered outdoor property**. The reference in the last paragraph to \$1,000 is changed to \$25,000 and the reference to \$250 is amended to \$1,000. The reference to outdoor fences is deleted.

Paragraph **A. 5. Coverage Extensions** is amended to add the following:

g. **Outdoor Buildings and Structures**

You may extend the insurance provided by this Coverage Form to apply to garages, storage buildings or other buildings or structures on the described premises which are:

- (1) Not described buildings;
- (2) Not otherwise insured;
- (3) Owned by you or for which you are legally liable; and
- (4) Used in your business.

The most we will pay for loss or damage under this Extension is:

- (1) 10% of the Building Limit of Insurance; or
- (2) If you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, 10% of the Business Personal Property Limit of Insurance that is applicable at the premises where the damage occurs, but not more than \$50,000 for any one occurrence.

h. **Accounts Receivable**

You may extend the insurance provided by this Coverage Form to apply to your accounts receivable as follows:

- (1) We will pay the following that result from Covered Causes of Loss to your records of accounts receivable located at the described premises or in or on a vehicle in transit between described premises shown in the Declarations.
 - (a) All Amounts customers owe you but you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts.
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss; and
 - (d) Other reasonable expenses that you incur to re-establish your records of account receivables.
- (2) Coverage does not apply to:
 - (a) Records of account receivables in storage away from the premises shown in the Declarations; or
 - (b) Contraband, or property in the course of illegal transportation or trade.
- (3) If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage that results from a Covered Cause while they are:
 - (a) At a safe place temporarily away from your premises; or
 - (b) Being taken to and returned from that place.

This removal extension is included within the Limit of Insurance applicable to Account Receivables Coverage Extension at the described premises from which the records of account receivables are removed.

(4) Additional Exclusions

We will not pay for loss or damage caused by or resulting from any of the following:

- (a) Alteration, falsification, concealment or destruction of records of account receivables done to conceal the wrongful giving, taking or withholding of money, securities or other property;
 - (b) Bookkeeping, accounting or billing errors or omissions.
- (5) Determination of Receivables
- (a) If you cannot accurately establish the amount of account receivable outstanding at time of loss, the following method will be used:
 - (i) Determine the total of the average monthly amounts of account receivables for the 12 months immediately preceding the month in which the loss occurs; and
 - (ii) Adjust that total for any normal fluctuations in the amount of account receivables for the month in which the loss occurred or for any demonstrated variance from the average for that month

- (b) The following will be deducted from the total amount of account receivables, however that amount is established.
 - (i) The amount of accounts for which there is no loss.
 - (ii) The amount of the accounts that you are able to re-establish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- (c) You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

The most we will pay for loss or damage under this extension is \$50,000 at each described premises.

i. **CLAIM EXPENSES**

When there is a loss to Covered Property from a Covered Cause of Loss, you may extend the insurance provided by this policy to apply to your expense to prepare a statement of loss, an inventory of damaged property, or other exhibits required to present your claim. The most we will pay for all such expenses in any one occurrence is \$5,000. No Deductible applies to coverage under this Extension.

j. **EXTRA EXPENSE**

You may extend the insurance provided by this Coverage Form to apply to your Extra Expense to avoid or minimize the suspension of business and to continue your business activities which are interrupted because of direct physical loss of or damage to Covered Property at the described premises, caused by or resulting from a Covered Cause of Loss. Extra Expense means necessary expenses you incur that you would not have incurred if there had been no loss of or damage to Covered Property. You must exercise due diligence to resume your normal business activities with all reasonable speed.

This Extension does not apply to any Extra Expense required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants."

The most we will pay for loss or damage under this Extension is \$25,000. This Extension is in addition to any similar coverage provided by any Business Income or Extra Expense Coverage Form made part of this policy.

B. Section **C. LIMITS OF INSURANCE** is replaced by the following:

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limits applicable to the Coverage Extensions and the following Additional Coverages are in addition to the Limits of Insurance:

1. Fire Department Service Charge;
2. Pollutant Clean Up and Removal;
3. Increased Cost of Construction;
4. Electronic Data;
5. Fire Extinguishing Equipment Discharge Expense; and
6. Reward Payments.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance

C. **Section E. Loss Conditions**

1. Paragraph **E. 4. Loss Payment** is amended to include the following:
 - i. Accounts receivable loss payment will be determined as follows:
 - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used.
 - (a) Determine the total of the average monthly amounts of accounts receivables for the 12 months immediately preceding the month in which the loss occurs; and
 - (b) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - (2) The following will be deducted from the total amount of accounts receivable, however that amount is establish.
 - (a) The amount of the accounts for which there is no loss; and
 - (b) The amount of the accounts that you are able to reestablish or collect; and
 - (c) An amount to allow for probable bad debts that you are normally unable to collect.
 - (3) You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.
2. Paragraph **E. 7 Valuation** is amended to include the following:
 - f. **Pair or Set.** In case of loss to any part of a pair or set we may:
 - (1) repair or replace any part to restore the pair or set to its value before the loss, or
 - (2) pay the difference between the value of the pair or set before and after the loss.

- II. The **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** or **THE BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM**, whichever is applicable to your policy as reflected in the Declarations, is changed as follows:

Section A. Coverage, 1, Business Income

The reference to 100 feet is amended to 1000 feet.

Section A. Coverage 5, Additional Coverages, applicable to the **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** or **Section A. Coverage 4, Additional Coverages**, applicable to the **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM**

1. Paragraph **A. 5. e. Fire Extinguishing Equipment Recharge**, applicable to the **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** or paragraph **A. 4. f. Fire Extinguishing Equipment Recharge**, applicable to the **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM** is added as follows:

If your portable fire extinguishing equipment or your automatic fire extinguishing system at or within 1,000 feet of the described premises leaks or is discharged because of a Covered Cause of Loss, including its use to control or prevent a fire, or is discharged by accident, we will pay loss of Business Income you sustain or necessary Extra Expense you incur due to the necessary suspension of your "operations" during the "period of restoration" as a result of the discharge.

The most we will pay under this Additional Coverage in any one occurrence is \$5,000. The limits applicable to this Additional Coverage are in addition to the Limits of Insurance.

2. Paragraph **A. 5. f. Utility Services (Time Element)**, applicable to the **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** or paragraph **A. 4. g. Utility Services (Time Element)**, applicable to the **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM** is added as follows:

We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the scheduled premises:

- (1) Water Supply Services, meaning the following types of property supplying water to the scheduled premises:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the scheduled premises, such as:
 - (a) Communication transmission lines, including optic fiber transmission lines and overhead transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
- (3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the scheduled premises:
 - (a) Utility generating plants;
 - (b) Switching stations;

- (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, including overhead transmission lines.
- (4) The most we will pay under this Additional Coverage is \$100,000. This Additional Coverage is included within the Limit of Insurance applicable to Business Income (when applicable, and Extra Expense) at the premises where the loss occurs.
 - (5) There shall be no coverage or damages paid for Business Interruption or Extra Expense losses incurred within the first 72 hours of Utility Service Interruption.

Section A. **Coverage**, paragraph 6. **Coverage Extension**, applicable to the **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** or Section A. **Coverage**, paragraph 6. **Coverage Extension**, applicable to the **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM** is amended as follows:

- 1. **Newly Acquired Locations**, subparagraph b. the reference to \$100,000 is changed to \$250,000.
- 2. **Newly Acquired Locations**, subparagraph c. (2) the reference to 30 days is changed to 90 days.

Section A. **Coverage**, paragraph 6. **Coverage Extension**, applicable to the **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** or Section A. **Coverage**, paragraph 6. **Coverage Extension**, applicable to the **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM** is amended to include:

MISCELLANEOUS DEPENDENT PROPERTIES

- a. You may extend the insurance provided by this Coverage Form to apply to the actual loss of Business Income you sustain and Extra Expense you incur due to the necessary suspension of your "operations" because of direct physical loss of or damage to a "dependent property" caused by or resulting from any Covered Cause of Loss.

As used in this Extension, a "dependent property" means property operated by others whom you depend on to:

- (1) Deliver materials or services to you, or to others for your account. With respect to services delivered to you, services does not mean water, communication or power supply services;
 - (2) Accept your products or services;
 - (3) Manufacture products for your customers under contract of sale; or
 - (4) Attract customers to your business.
- b. With respect to such "dependent property":
 - (1) The definition of "period of restoration" applies except that the reference to described premises means the premises of the "dependent property" described in paragraph (1) above;

- (2) The following is added to subparagraph 3 **c. Resumption of Operations** of the **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM** or paragraph **b. Resumption of Operations** of the **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM** in Section **C. LOSS CONDITIONS**, paragraph **3. Loss Determination**:

We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations," in whole or in part, by using any other available source of materials or outlet for your products.

- c. The most we will pay for Business Income (when applicable, and Extra Expense) under this Extension is \$15,000 at any one "dependent property."

This Extension is additional insurance. Section **D. Additional Condition, Coinsurance**, does not apply to this Extension.

III. The **CAUSES OF LOSS - SPECIAL FORM** is changed as follows:

A. Section **B. EXCLUSIONS** is changed as follows:

1. Paragraph **1.a. Ordinance or Law** does not apply to the extent that coverage is provided under the Ordinance or Law Additional Coverage.
2. In paragraph **1.b. Earth Movement**, the following is added:

But if earth movement or volcanic eruption, explosion or effusion result in sprinkler leakage, we will pay for the loss or damage caused by that sprinkler leakage.

This exclusion does not apply to property in transit.
3. Paragraph **1.e. Utility Services** and paragraph **4. Special Exclusions a. (1)** do not apply to the extent that coverage is provided under I. Section **A. Coverage, 4. Additional Coverages, o. Utility Services** contained in this endorsement.
4. Paragraph **1.g. Water** does not apply:
 - a. To the extent that coverage is provided under the **I.A.4.i., Limited Water Damage Additional Coverage** contained in this endorsement; or
 - b. To property in transit.
5. The following Exclusions do not apply to the extent that coverage is provided under the **I. A. 4. m., Temperature Change Additional Coverage** contained in this endorsement:
 - a. **B. 1. c. Utility Services**;
 - b. **B. 2. a.** regarding artificially generated electrical, magnetic or electromagnetic energy;
 - c. **B. 2. d. (6)** regarding mechanical breakdown; and
 - d. Paragraphs **(7) (a) and (7) (b) of Exclusion B. 2. d. (7) regarding humidity and temperature.**

6. 4., Special Exclusion in **B. 4. a.** applicable to **Business Income and Extra Expense Coverage Forms** also apply to the **A. 5. f. Extra Expense Coverage Extension**.
- B. Section **B. EXCLUSIONS** is changed as follows with respect to the following Additional Coverages and Coverage Extensions:
1. For paragraph **A. 4. p. Fine Arts Additional Coverage** contained in this endorsement:
 - a. Only the following Exclusions in the Causes of Loss – Special Form apply:
 - (1) **B. 1. c. Governmental Action; B. 1. d. Nuclear Hazard; B. 1. f. War and Military Action;**
 - (2) The gradual types of loss described in **B. 2 .d. (1) and d. (2); B .2. d. (5)** regarding insects or other animals; **B. 2. d. (7) (a) and d. (7) (b)** regarding humidity and temperature; and
 - (3) **B. 2. h.** regarding dishonest acts; and
 - (4) **B. 2. i.** regarding false pretense.
 - b. In addition, the following exclusion is added for coverage under the Fine Arts Additional Coverage:

We will not pay for loss or damage caused by or resulting from any repairing, restoration or retouching process.
 2. For paragraphs **A. 5. C., Valuable Papers and Records Coverage** and **B. 6. b. Accounts Receivable Coverage Extension** of this endorsement:
 - a. Only the following Exclusions in the Causes of Loss - Special Form apply:
 - (1) **B. 1. c. Governmental Action; B. 1. d. Nuclear Hazard; B. 1. f. War and Military Action;**
 - (2) **B. 2. h.** regarding dishonest acts; and **B. 2. i.** regarding false pretense; and
 - (3) **B. 3. a.** Weather conditions; **B. 3. b.** Acts or decisions; and **B. 3. c.** regarding faulty design or materials.
 - b. In addition, the following additional Exclusions apply to both Valuable Papers and Records Coverage and Accounts Receivable Coverage Extension:

We will not pay for loss or damage caused by or resulting from electrical, magnetic or electromagnetic injury, disturbance or erasure of electronic recordings or computer data that is caused by or results from:

 - (1) Programming errors or faulty machine instructions; or
 - (2) Faulty installation or maintenance of data processing equipment or component parts.

But we will pay for direct loss or damage caused by lightning.
 - c. The following additional Exclusions apply to Valuable Papers and Records Coverage only:

We will not pay for loss or damage caused by or resulting from any of the following:

- (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
 - (2) Wear and tear, gradual deterioration or latent defect.
- d. The following additional Exclusions apply to Accounts Receivable Coverage Extension only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Section **C. LIMITATIONS** is changed as follows:

1. Paragraph **2. a.** does not apply to the coverage provided under the Valuable Papers and Records Coverage Extension.
2. Paragraph **2. c.** does not apply to breakage caused by or resulting from theft or attempted theft, earthquake, or flood, but only to coverage provided under the Fine Arts Additional Coverage.

D. The following is added to Section **D. ADDITIONAL COVERAGE – COLLAPSE**:

6. We will also pay if the abrupt collapse is caused by surface water, water that backs up or overflows from a sewer, drain or sump, or water under the ground surface, but only to the extent that coverage is provided under the Limited Water Damage Additional Coverage.

E. Section **F. ADDITIONAL COVERAGE EXTENSIONS**, paragraph **1. Property in Transit**, is replaced by the following:

PROPERTY IN TRANSIT. This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance that applies to:

- (1) Your Business Personal Property to apply to that property in transit more than 1,000 feet from the described premises; and
- (2) Business Income and Extra Expense to apply to the suspension of your operations caused by direct physical loss of or damage to the property described in paragraph a.(1).

b. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.

- c. The most we will pay under this Extension in any one occurrence is:
 - (1) \$25,000 for loss or damage to property, and
 - (2) \$10,000 for Business Income and Extra Expense.
- d. This Extension does not apply to any property for which coverage in transit is provided by any other Coverage Extension or Additional Coverage in this endorsement.

This Coverage Extension is additional insurance. Section **F. Additional Conditions**, paragraph **1. Coinsurance** of the **Business and Personal Property Coverage Form** and Section **D. Additional Condition, Coinsurance** of the applicable **Business Income Coverage Form** do not apply to this Extension.

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

[Insert Company Name Here]

FRATERNAL COMMERCIAL PROPERTY EXTRA COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

I. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is changed as follows:

A. BOUNDARY EXTENSION

All references to property "within 100 feet" of the described premises are changed to "within 1,000 feet" of the described premises.

B. Section A., COVERAGE, is changed as follows:

1. Sub-section 1., Covered Property, Paragraph a. is changed to include:

(6) BUILDING GLASS

Glass, including lettering or ornamentation, that is part of the exterior or interior of the described building or structure. If you are a tenant and no Building Limit of Insurance is shown in the Declarations, then A. Coverage 1. Covered Property paragraph b. Your Business Personal Property is changed to include building glass, if it is owned by you or owned by others but in your care, custody or control.

We will also pay for necessary:

- a. Expenses incurred to put up temporary plates or board up openings;
- b. Repair or replacement of encasing frames; and
- c. Expenses incurred to remove or replace obstructions.

(7) OUTDOOR SIGNS

Outdoor signs whether or not attached to buildings. If you are a tenant and no Building Limit of Insurance is shown in the Declarations, then, A. Coverage 1. Covered Property paragraph b. Your Business Personal Property is changed to include outdoor signs.

2. Sub-section 2, Property Not Covered, is changed as follows:

A, 2, a, does not apply to Section I., sub-section A, 6, b Accounts Receivable Coverage Extension afforded by this endorsement.

3. Sub-section 4., ADDITIONAL COVERAGES is changed as follows:

- a. Paragraph c., FIRE DEPARTMENT SERVICE CHARGE, \$1,000 is changed to \$25,000.

- b. Paragraph d., POLLUTANT CLEAN UP AND REMOVAL, \$10,000 is changed to \$25,000.
- c. Paragraph f (4), ELECTRONIC DATA, \$2,500 is changed to \$25,000.

4. The following ADDITIONAL COVERAGES are added to Sub-section 4:

g. FIRE EXTINGUISHING EQUIPMENT RECHARGE EXPENSE

We will pay your expenses to recharge your portable fire extinguishing equipment or your automatic fire extinguishing system, including the cost of hydrostatic testing if required, or to replace them if that is less than the cost of recharge. The recharge must be necessary because of leakage or discharge caused by or resulting from a Covered Cause of Loss, including its use to control or prevent a fire, or because of accidental discharge, at or within 1,000 feet of the described premises.

We will also pay your expenses to clean up the described premises and restore it to the original condition that existed prior to a discharge.

The most we will pay under this Additional Coverage in any one occurrence is \$15,000 for recharge or replacement expense and \$15,000 for clean-up expenses. The amounts payable under this Additional Coverage are additional insurance. No Deductible applies to this Additional Coverage.

h. REWARD PAYMENT

We will pay a reward for information which leads to the arrest and conviction of any person for committing a crime which results in a loss of or damage to Covered Property from a Covered Cause of Loss. We will also pay a reward for the return of stolen Covered Property if theft is a Covered Cause of Loss.

But we will not pay rewards to:

- (1) You or any of your family members;
- (2) Any of your employees or their family members;
- (3) An employee of a law enforcement agency or a security or property protection business;
- (4) Any person having custody of the Covered Property at the time a theft was committed; or
- (5) Any person involved in the crime.

Regardless of the number of persons who provide such information, the most we will pay for rewards in any one loss is \$25,000. But we will not pay more for a reward than the lesser of the value of the Covered Property as determined by the applicable loss settlement procedure, or for the amount required to repair or replace it. The amount payable under this Additional Coverage is additional insurance.

i. LIMITED WATER DAMAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from:

- (1) Water that backs up from a sewer, drain or sump; or
- (2) Water under the ground surface pressing on, or flowing or seeping through:
 - (i) Foundations, walls, floors or paved surfaces;
 - (ii) Basements, whether paved or not; or
 - (iii) Doors, windows or other openings.

The most we will pay for each described premises for the sum of all loss under this Additional Coverage during each separate 12 month period of this policy is \$25,000. This Additional Coverage is included within the Limit of Insurance applicable to the premises where the damage occurs.

To the extent that a part of the Water Exclusion might conflict with the coverage provided under this endorsement, that part of the Water Exclusion does not apply.

j. THEFT DAMAGE TO BUILDINGS

If you are a tenant and no Building Limit of Insurance is shown in the Declarations, we will pay for damage at the described premises caused directly by theft or attempted theft to:

- (1) That part of any building containing Covered Property; or
- (2) Equipment within the building used to maintain or service the building; if you are legally responsible for the damage.

But we will not pay under this Additional Coverage for damage caused by fire, or to glass or to lettering or artwork on glass.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

k. TEMPORARY RELOCATION OF PROPERTY

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss at another location where it is in storage for up to 120 days while the described premises is being repaired, renovated or remodeled. This 120 day period includes any coverage period provided under the Preservation of Property Additional Coverage. This Additional Coverage is included within the Limit of Insurance applicable to the premises from which the property was moved.

l. BRANDS AND LABELS

If branded or labeled merchandise that is Covered Business Personal Property is damaged by a Covered Cause of Loss and we take all or any part of the damaged merchandise at an agreed or appraised value as part of the loss settlement, we will pay your expense to:

- (1) Stamp 'salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

- (2) Remove the brands or labels if doing so will not physically damage the merchandise or its containers. You must relabel the merchandise or its containers to comply with the law.

This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the damage occurs.

m. TEMPERATURE CHANGE

We will pay for direct physical loss of or damage to Covered Business Personal Property at the described premises caused by or resulting from a change in temperature or humidity, if the change in temperature or humidity results from:

- (1) Mechanical breakdown or mechanical failure of refrigerating, cooling, heating or humidity control apparatus or equipment; or
- (2) Power outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises.

But this Additional Coverage does not apply to loss of or damage to "perishable stock." As used in this Additional Coverage, "perishable stock" means personal property maintained under controlled temperature or humidity conditions for its preservation, and susceptible to loss or damage if the controlled temperature or humidity conditions change.

The most we will pay under this Additional Coverage is \$25,000. This Additional Coverage is included within the Limit of Insurance applicable to Business Personal Property at the premises where the loss occurs.

n. ORDINANCE OR LAW

- (1) If a Covered Cause of Loss occurs to covered Building property, we will pay:

- (a) Loss to the Undamaged Portion of the Building.

For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- (i) requires the demolition of parts of the same property not damaged by a Covered Cause of Loss, regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (ii) is in force at the time of loss.

- (b) Demolition Cost Coverage

The cost to demolish and clear the site of undamaged parts of the Building property caused by enforcement of building, zoning or land use ordinance or law.

(c) Increased Cost of Construction Coverage

The increased cost to repair or reconstruct damaged portions of that Building property, or to reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required, when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However, Increased Cost of Construction Coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law. We will not pay for the increased cost of construction until the property is actually repaired or replaced, at the same or another premises. If you elect to rebuild at another premises, we will not pay more than the increased cost of construction at the same premises.

(2) Under this Ordinance or Law Additional Coverage, we will not pay for:

- (a) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Loss due to any ordinance or law that you were required to comply with before the loss, even if the building was undamaged, and you failed to comply with.

(3) Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance applicable to the covered Building property.

Demolition Cost Coverage and Increased Cost of Construction Coverage are additional insurance. The most we will pay for any loss under each of these Coverages is \$50,000. The Coinsurance Additional Condition does not apply to Demolition Cost Coverage and Increased Cost of Construction Coverage.

(4) With respect to this Additional Coverage:

- (a) For loss in value of the undamaged portion of the building, we will not pay more than:
 - (i) If the Replacement Cost Optional Coverage applies, the amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured, if the property is repaired or replaced on the same or another premises; or
 - (ii) If the Replacement Cost Optional Coverage does not apply, or if the property is not repaired or replaced, the actual cash value of the building at the time of loss.
- (b) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

- (c) With respect to the Increased Cost of Construction:
 - (i) We will not pay for the Increased Cost of Construction until the property is actually repaired or replaced at the same or another premises, and unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, we will not pay more than the increased cost of construction at the same premises.
 - (iii) If the ordinance or law requires relocation to another premises, we will not pay more than the increased cost of construction at the new premises.

The second sentence under Section E., Loss Conditions, Sub-section 7, paragraph b., Valuation and all of Section G., Optional Coverages, sub-section 3., Replacement Cost, paragraph f., regarding the increased cost attributable to enforcement of an ordinance or law, do not apply to this Ordinance or Law Additional Coverage. The terms of this Additional Coverage apply separately to each covered Building.

o. UTILITY SERVICES (PROPERTY DAMAGE)

We will pay for loss of or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the scheduled premises:

- (1) Water Supply Services, meaning the following types of property supplying water to the scheduled premises:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the scheduled premises, such as:
 - (a) Communication transmission lines, including optic fiber transmission lines and overhead transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
- (3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the scheduled premises:
 - (a) Utility generating plants;
 - (b) Switching stations;

- (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, including overhead transmission lines.
- (4) The most we will pay under this Additional Coverage is \$100,000. This Additional Coverage is included within the Limit of Insurance applicable to Covered Property at the premises where the loss occurs.

p. BROADENED FINE ARTS

We will pay for direct physical loss of or damage to "fine arts" caused by or resulting from the additional Causes of Loss described in Paragraphs III.C.1. of this endorsement amending the Exclusions and III.D.3. of this endorsement amending the Limitations that are otherwise applicable.

As used in this Additional Coverage, "fine arts" means works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac, and similar articles.

The most we will pay for loss or damage under this Additional Coverage is \$25,000 at each described premises which is listed in the Declarations.

q. LOST KEY CONSEQUENTIAL LOSS

We will pay up to \$1,000 in any one occurrence for:

- (1) The actual cost of keys, and
- (2) Adjustment of locks to accept new keys, or
- (3) If required, new locks including cost of their installation,

If necessary because a master or grand master key is lost or damaged from a Covered Cause of Loss.

r. NO COINSURANCE CLAUSE

Section F., Additional Conditions, Sub-section 1., Coinsurance, is deleted. We will, however, pay no more than the Limit of Insurance shown in the Declarations page.

s. MERCANTILE STOCK SOLD.

The following is added to Section E., Loss Conditions, Sub-section 7., VALUATION:

We will determine the value of goods you have sold but not delivered, in the event of loss or damage, at:

- a. The selling price, if no loss or damage occurred;
- b. Less discounts and expenses you otherwise would have had.

5. Sub-section 5., COVERAGE EXTENSIONS is changed as follows:
- a. Paragraphs a., NEWLY ACQUIRED OR CONSTRUCTED PROPERTY is changed as follows:
 - 1. All references to "the most we will pay" are changed to the following: The most we will pay for loss or damage under this extension is \$1,000,000 for each building and \$1,000,000 for Business Personal Property at each building.
 - 2. Sub-paragraph (3), Period of Coverage, item (b): 30 days is changed to 90 days.
 - b. Paragraph b., PERSONAL EFFECTS AND PROPERTY OF OTHERS, is replaced by the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

 - a. Personal effects owned by you, your officers, your partners or your employees.
 - b. Personal property of others in your care, custody or control.

The most we will pay for loss or damage for Personal effects owned by you, your officers, your partners or your employees under this Extension is \$25,000 at each described premises. The most we will pay for personal property of others in your care custody or control is \$25,000. These limits apply regardless of the amount for which you are legally liable and apply on a replacement cost basis.
 - c. VALUABLE PAPERS AND RECORDS – (OTHER THAN ELECTRONIC DATA) is replaced by the following:

Subject to the exclusions in Paragraph III.C.2.a., and b, below, you may extend the insurance provided by this Coverage Form to apply to loss of or damage to valuable papers and records, your property or the property of others in your care, custody or control, caused by or resulting from any of the Covered Causes of Loss. This Coverage Extension includes your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those, which exist, on electronic or magnetic media, for which duplicates do not exist.

This Coverage Extension does not apply to property held as samples or for delivery after sale.

The most we will pay under this Extension for loss or damage to replace or restore the lost information, in any one occurrence, at any described premises is \$50,000, unless a higher limit is shown in the Declarations. For valuable papers and records not at the described premises, the most we will pay is 50% of the Valuable Papers and Records limit that applies on premises. Such amounts are additional insurance.

We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

- d. Paragraph d., PROPERTY OFF – PREMISES, is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than valuable papers and records or accounts receivable, that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property in transit.

The most we will pay for loss or damage under this Extension is \$50,000.

- e. Paragraph e., OUTDOOR PROPERTY, is changed as follows:

The reference to \$1000 is changed to \$15,000 and the reference to \$250 is changed to \$2500.

6. The following COVERAGE EXTENSIONS are added:

- g. OTHER BUILDINGS AND STRUCTURES

You may extend the insurance provided by this Coverage Form to apply to garages, storage buildings or other buildings or structures on the described premises which are:

- (1) Not described buildings;
- (2) Not otherwise insured;
- (3) Owned by you or for which you are legally liable; and
- (4) Used in your business.

The most we will pay for loss or damage under this Extension is:

- (1) 10% of the Building Limit of Insurance; or
- (2) If you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, 10% of the Business Personal Property Limit of Insurance; applicable at the premises where the damage occurs, but not more than \$50,000 for any one occurrence.

- h. ACCOUNTS RECEIVABLE

You may extend the insurance provided by this Coverage Form to apply to your records of accounts receivable. Subject to the exclusions in Paragraph III.C. 2.a., and c. below, we will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable:

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

The most we will pay under this Extension for loss or damage in any one occurrence at any described premises is \$50,000. For records of accounts receivable not at the described premises, the most we will pay is 50% of the Accounts Receivable limit that applies on premises.

The following is added to Section E., Loss Conditions, Sub-section 7., Valuation,:

If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

- (1) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
- (2) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (1) The amount of the accounts for which there is no loss or damage;
- (2) The amount of the accounts that you are able to re-establish or collect;
- (3) An amount to allow for probable bad debts that you are normally unable to collect; and
- (4) All unearned interest and service charges.

i. CLAIM EXPENSES

When there is a loss to Covered Property from a Covered Cause of Loss, you may extend the insurance provided by this policy to apply to your expense to prepare a statement of loss, an inventory of damaged property, or other exhibits required to present your claim. The most we will pay for all such expenses in any one occurrence is \$10,000. No Deductible applies to coverage under this Extension.

j. EXTRA EXPENSE

You may extend the insurance provided by this Coverage Form to apply to your Extra Expense to avoid or minimize the suspension of business and to continue your business activities which are interrupted because of direct physical loss of or damage to Covered Property at the described premises, caused by or resulting from a Covered Cause of Loss. Extra Expense means necessary expenses you incur that you would not have incurred if there had been no loss of or damage to Covered Property. You must exercise due diligence to resume your normal business activities with all reasonable speed.

This Extension does not apply to any Extra Expense required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants."

The most we will pay for loss or damage under this Extension is \$25,000. This Extension is in addition to any similar coverage provided by any Business Income or Extra Expense Coverage Form made part of this policy.

C. Section C., LIMITS OF INSURANCE is replaced by the following:

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage. The amounts of insurance stated in the following Additional Coverages are in addition to the Limits of Insurance::

1. Fire Department Service Charge;
2. Pollutant Clean Up and Removal;
3. Increased Cost of Construction;
4. Electronic Data;
5. Fire Extinguishing Equipment Discharge Expense;
6. Reward Payments; and
7. The Demolition Cost and Increased Cost of Construction coverages of Ordinance and Law.
8. Lost Key Consequential Loss

Payments under any other Additional Coverages will not increase the applicable Limit of Insurance, except that under Debris Removal, if:

1. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
2. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$25,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

II. The BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or THE BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM, whichever is applicable to your policy as reflected in the Declarations, is changed as follows:

- A. All references to property "within 100 feet" of the described premises are changed to "within 1,000 feet" of the described premises.

B. In Section A., Coverage, Sub-section 5., Additional Coverages, Sub-section d, INTERRUPTION OF COMPUTER OPERATIONS, paragraph (4), \$2,500 is replaced by \$25,000 unless a higher limit of insurance is shown in the Declarations, then that limit applies.

C. In Section A., Coverage, Sub-section 5., ADDITIONAL COVERAGES, the following are added:

e. FIRE EXTINGUISHING EQUIPMENT RECHARGE- Loss of Business Income and Extra Expense

If your portable fire extinguishing equipment or your automatic fire extinguishing system at or within 1,000 feet of the described premises leaks or is discharged because of a Covered Cause of Loss, including its use to control or prevent a fire, or is discharged by accident, we will pay loss of Business Income you sustain or necessary Extra Expense you incur due to the necessary suspension of your "operations" during the "period of restoration" as a result of the discharge.

The most we will pay under this Additional Coverage in any one occurrence is \$15,000. The limits applicable to this Additional Coverage are in addition to the Limits of Insurance.

f. UTILITY SERVICES (TIME ELEMENT)

We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the scheduled premises:

1. Water Supply Services, meaning the following types of property supplying water to the scheduled premises:
 - (1) Pumping stations; and
 - (2) Water mains.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the scheduled premises, such as:
 - (1) Communication transmission lines, including optic fiber transmission lines and overhead transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays except satellites.
3. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the scheduled premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and

(5) Transmission lines, including overhead transmission lines.

4. The most we will pay under this Additional Coverage is \$100,000 for each occurrence provided however that there shall be no coverage and no damages paid for Business Interruption or Extra Expense damages or losses incurred within the first 72 hours of Utility Service Interruption.

This Additional Coverage is included within the Limit of Insurance applicable to Business Income and Extra Expense at the premises where the loss occurs.

D. Section A., Coverage, Sub-section 6., COVERAGE EXTENSION, is changed as follows:

1. The first paragraph is replaced with the following:

You may extend the insurance provided by this Coverage Part as follows:

2. Newly Acquired Locations is changed as follows

- a. Paragraph b. The most we will pay under this Extension is changed to The Actual loss of Business Income you sustain within 12 consecutive months after the date of direct physical loss or damage.
- b. Paragraph c.(2), 30 days is changed to 90 days.

E. The following is added to Section A., Coverage, Sub-section 6., Coverage Extensions:

MISCELLANEOUS DEPENDENT PROPERTIES

1. You may extend the insurance provided by this Coverage Form to apply to the actual loss of Business Income you sustain and Extra Expense you incur due to the necessary suspension of your "operations" because of direct physical loss of or damage to a "dependent property" caused by or resulting from any Covered Cause of Loss.

As used in this Extension, a "dependent property" means property operated by others whom you depend on to:

- a. Deliver materials or services to you, or to others for your account. With respect to services delivered to you, services does not mean water, communication or power supply services;
- b. Accept your products or services;
- c. Manufacture products for your customers under contract of sale; or
- d. Attract customers to your business.

2. With respect to such "dependent property":

- a. The definition of "period of restoration" applies except that the reference to described premises means the premises of the "dependent property" described in paragraph 1. above;
- b. The following is added to Paragraph 3.c. Resumption of Operations in the Loss Determination of C. LOSS CONDITION:

We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations," in whole or in part, by using any other available source of materials or outlet for your products.

3. The most we will pay for Business Income and Extra Expense under this Extension is \$15,000 at any one "dependent property."

This Extension is additional insurance. The Section D. COINSURANCE, does not apply to this Extension.

- F. Section b. LIMITS OF INSURANCE, is replaced by the following:

We will pay for the actual loss of Business Income you sustain within 12 consecutive months after the date of direct physical loss or damage. But if a Limit of Insurance for Business Income is shown in the Declarations, that Limit is the most we will pay for loss in any one occurrence.

The amounts of insurance stated for the following Additional Coverages and Coverage Extensions apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverages:

1. Interruption of Computer Operations
2. Fire Extinguishing Equipment Recharge Loss of Business Income and Extra Expense
3. Utility Services (Time Element)
4. Newly Acquired Locations Coverage Extension
5. Miscellaneous Dependent Properties

- III. The CAUSES OF LOSS - SPECIAL FORM is changed as follows:

- A. All references to property "within 100 feet" of the described premises are changed to "within 1,000 feet" of the described premises.

- B. Section B., EXCLUSIONS is changed as follows:

1. Paragraph 1.a. Ordinance or Law does not apply to the extent that coverage is provided under the Ordinance or Law Additional Coverage.

2. In Paragraph 1.b., Earth Movement, the following is added:

But if earth movement or volcanic eruption, explosion or effusion result in sprinkler leakage, we will pay for the loss or damage caused by that sprinkler leakage.

This exclusion does not apply to property in transit.

3. Paragraph 1.e., Utility Services and Paragraph 4., Special Exclusion a.(1), do not apply to the extent that coverage is provided under the Utility Services Additional Coverages.

4. Paragraph 1.g., Water does not apply:

- a. To the extent that coverage is provided under the I. B. 4. i., Limited Water Damage Additional Coverage contained in this endorsement; or

- b. To property in transit.
- 5. The following Exclusions do not apply to the extent that coverage is provided under the I. B. 4. m., Temperature Change Additional Coverage contained in this endorsement:
 - a. B.1.e. Utility Services;
 - b. B.2.a. regarding artificially generated electrical, magnetic or electromagnetic energy;
 - c. B.2.d.(6) regarding mechanical breakdown; and
 - d. Paragraphs (7)(a) and (7)(b) of Exclusion B.2.d.(7) regarding humidity and temperature.
- 6. Special Exclusion 4.a.(4) applicable to Business Income and Extra Expense Coverage Forms also apply to the I. 6. j ., Extra Expense Coverage Extension.
- C. Section B. EXCLUSIONS, is changed as follows with respect to the following Additional Coverages and Coverage Extensions:
 - 1. Under the I. B. 4. p., Broadened Fine Arts Additional Coverage contained in this endorsement:
 - a. Only the following Exclusions apply:
 - (1) B.1.c. Governmental Action; B.1.d. Nuclear Hazard; B.1.f. War and Military Action;
 - (2) The gradual types of loss described in B.2.d.(1) and d.(2); B.2.d.(5) regarding insects or other animals; B.2.d.(7)(a) and d.(7)(b) regarding humidity and temperature; and
 - (3) B.2.h. regarding dishonest acts; and
 - (4) B.2.i. regarding false pretense.
 - b. The following Exclusion is added for coverage provided by paragraph I. B. 4. p. of this endorsement:

We will not pay for loss or damage caused by or resulting from any repairing, restoration or retouching process.
 - 2. Under the I. B. 5. c., Valuable Papers and Records Coverage and I. B. 6. h., Accounts Receivable Extensions of this endorsement:
 - a. Only the following Exclusions in the Causes of Loss - Special Form apply:
 - (1) B.1.c. Governmental Action; B.1.d. Nuclear Hazard; B.1.f. War and Military Action;
 - (2) B.2.h. regarding dishonest acts; and B.2.i. regarding false pretense; and
 - (3) B.3.a. Weather conditions; B.3.b. Acts or decisions; and B.3.c. regarding faulty design or materials.

- b. The following additional Exclusions apply to Valuable Papers and Records only:

We will not pay for loss or damage caused by or resulting from any of the following:

- (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
- (2) Wear and tear, gradual deterioration or latent defect.

- c. The following additional Exclusions apply to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

- D. Section C., LIMITATIONS is changed as follows:

Paragraph 2.b. does not apply to breakage caused by or resulting from theft or attempted theft, earthquake, or flood, but only to coverage provided under the Broadened Fine Arts Additional Coverage.

- E. The following is added Section D., ADDITIONAL COVERAGE – COLLAPSE:

6. We will also pay if the collapse is caused by surface water, water that backs up or overflows from a sewer, drain or sump, or water under the ground surface, but only to the extent that coverage is provided under the Limited Water Damage Additional Coverage.

- F. Section F., ADDITIONAL COVERAGE EXTENSION, Paragraph 1., Property in Transit, is replaced by the following:

PROPERTY IN TRANSIT. This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance that applies to:

- (1) Your Business Personal Property to apply to that property in transit more than 1,000 feet from the described premises; and
- (2) Business Income and Extra Expense to apply to the suspension of your "operations" caused by direct physical loss of or damage to the property described in paragraph a.(1).

- b. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.

- c. The most we will pay under this Extension in any one occurrence is:
 - (1) \$50,000 for loss or damage to property, and
 - (2) \$10,000 for Business Income and Extra Expense.
- d. This Extension does not apply to any property for which coverage in transit is provided by any other Coverage Extension or Additional Coverage in this endorsement.

This Coverage Extension is additional insurance. The Section F. Additional Condition, Subsection 1., Coinsurance, of the Business and Personal Property Coverage Form, and Section E. Additional Condition, Coinsurance, of the applicable Business Income Coverage Form do not apply to this Extension.

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

[Insert Company Name Here]

FRATERNAL COMMERCIAL PROPERTY EXTRA CRIME COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

**SCHEDULE A: SCHEDULE OF ADDITIONAL LIMIT FOR EMPLOYEE DISHONESTY COVERAGE
FOR DESIGNATED EMPLOYEES**

Names of Employees	Additional Limit of Insurance – Each Employee

**SCHEDULE B: SCHEDULE OF ADDITIONAL LIMIT FOR EMPLOYEE DISHONESTY COVERAGE
FOR DESIGNATED POSITIONS**

Title and Location of Covered Positions	Number of Employees for Each Position	Additional Limit of Insurance – Each Employee

I. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is changed as follows:

The following are added under **A. Coverage, 4. Additional Coverages**:

a. MONEY AND SECURITIES

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) The most we will pay for loss in any one occurrence is:

- (a) \$50,000 for "money" and "securities" while in or on the described premises or within a bank or savings institution; and
- (b) \$25,000 for "money" and "securities" while anywhere else.

The amount payable under this Additional Coverage is additional insurance.

(3) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;

is considered one occurrence.

(4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

(5) For the purposes of this MONEY AND SECURITIES additional coverage the following shall be considered employees:

- (a) Your designated officers, whether compensated or not, and
- (b) any volunteer worker for you, but only while acting within the scope of their duties for you or performing services on your behalf, including while acting as a fund solicitor during fund raising campaigns.

(6) The following additional exclusions apply to the Money and Securities Additional Coverage: We will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any "money" - operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

b. EMPLOYEE DISHONESTY

(1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons with the manifest intent to:

- (a) Cause you to sustain loss or damage; and also
- (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (i) Any employee; or
 - (ii) Any other person or organization.

(2) The most we will pay for loss or damage in any one occurrence is:

- (a) \$150,000; and

- (b) the additional limit of employee dishonesty coverage for designated employees or positions, shown in Schedule A or B, above.
 - (ii) The Additional Limit of Insurance shown in Schedule A or B applies to each employee who is named or who holds a position shown in the Schedule opposite that limit.
 - (ii) The Additional Limit of Insurance applies only to that part of any covered loss that is excess of the amount shown in (2, (a), above plus any applicable Deductible Amount.
 - (iii) The Additional Limit of Insurance applies only to loss caused by an employee, shown in schedules A or B.
 - (iv) If the Additional Limit of Insurance is scheduled on a position basis, the most we will pay for an employee holding more than one position is the largest Additional Limits of Insurance in effect and applicable to any one of those positions at the time of loss.

The amount payable under this Additional Coverage is additional insurance.

- (3) All loss or damage:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;

is considered one occurrence.
- (4) We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (5) This Additional Coverage does not cover:
 - (a) Acts committed by you, your partners or your members
Loss resulting from theft or any other dishonest act committed by:
 - (1) You; or
 - (2) Any of your partners or members, whether acting alone or in collusion with other persons
 - (b) Acts of employees learned of by your prior to the policy period.

Loss caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, members, managers, officers directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the Policy Period shown in the Declarations..

- (6) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.

- (7) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (8) The insurance under paragraph (7) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.
- (9) For the purposes of the EMPLOYEE DISHONESTY additional coverage the following shall be considered employees:
- (a) Your designated officers, whether compensated or not, and
 - (b) any volunteer worker for you, but only while acting within the scope of their duties for you or performing services on your behalf, including while acting as a fund solicitor during fund raising campaigns.
- (10) The following additional exclusions apply:
- We will not pay for loss or damage:
- (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
 - (2) The only proof of which as to its existence or amount is an inventory computation or a profit and loss computation.

Exclusion B.2.h. regarding dishonest acts, in the Causes of Loss – Special Form does not apply to the extent that coverage is provided under this Additional Coverage.

c. ERISA – EMPLOYEE DISHONESTY

We shall include as a Named insured under the Employee Dishonesty Additional Coverage any:

- (1) Employee Welfare Benefit Plan, and
- (2) Employee Pension Benefit Plan,

owned, controlled or operated by you which you provide solely for the benefit of your employees (hereinafter collectively called “Plan”).

This insurance does not increase the Limit of Insurance under the Employee Dishonesty Additional Coverage. ERISA - Employee Dishonesty does not provide fiduciary liability insurance.

The following provisions shall apply to ERISA - Employee Dishonesty Coverage.

- (1) Employee as used in ERISA - Employee Dishonesty shall also include any natural person who is:
 - (a) a trustee, an officer, employee, administrator, volunteer, or a manager, except an administrator or a manager who is an independent contractor, of any Plan insured under this insurance, and
 - (b) Your director or trustee other than a fiduciary while that person is handling funds or other property of any Plan insured under this insurance.
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty Coverage Form that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
- (4) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) sustained by two or more Plans; or
 - (b) of commingled funds or other property of two or more Plans that arises out of one "occurrence," is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
- (5) Any applicable Deductible to the Employee Dishonesty Additional Coverage does not apply to loss sustained by any Plan subject to ERISA, which is insured under this insurance.
- (6) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for the Employee Dishonesty Additional Coverage.

d. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY

We will pay for loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any loss under this Additional Coverage is \$10,000. The amount payable under this Additional Coverage is additional insurance.

e. FORGERY AND ALTERATION

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued or that was issued by someone who impersonates you or your agent.

- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$150,000. The amount payable under this Additional Coverage is additional insurance.

II. For the purposes of this endorsement, the following additional **DEFINITIONS** are applicable:

- 1. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 2. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

[Insert Company Name Here]

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCREASED LIMITS FOR PROPERTY COVERAGES

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSE OF LOSS SPECIAL COVERAGE FORM
COMMERCIAL PROPERTY EXTRA COVERAGE ENDORSEMENT
COMMERCIAL PROPERTY EXTRA CRIME COVERAGE ENDORSEMENT
FRATERNAL COMMERCIAL PROPERTY EXTRA COVERAGE ENDORSEMENT
FRATERNAL COMMERCIAL PROPERTY EXTRA CRIME COVERAGE ENDORSEMENT

If an "X" is shown in the box in the Schedule below, the limits provided in the indicated ADDITIONAL COVERAGES, COVERAGE EXTENSIONS and LIMITATIONS of the applicable Coverage Forms and the Causes of Loss - Special Form, as amended by the applicable Extra Coverage Endorsement listed above, are increased to the amount shown.

SCHEDULE

ADDITIONAL COVERAGES

PREMISES*	ITEM	COVERAGE AMOUNT
<input type="checkbox"/> Debris Removal	\$	in addition to the 25% limitation
<input type="checkbox"/> Temporary Relocation of Property		days
<input type="checkbox"/> Fire Department Service Charge	\$	
<input type="checkbox"/> Pollutant Clean Up and Removal	\$	during each separate 12 month period
<input type="checkbox"/> Civil Authority		weeks
<input type="checkbox"/> Money Orders and Counterfeit Paper Currency	\$	
<input type="checkbox"/> Money and Securities	\$ \$	Inside the Premises Outside the Premises
<input type="checkbox"/> Employee Dishonesty	\$	
<input type="checkbox"/> Money Orders & Counterfeit Paper Currency	\$	
<input type="checkbox"/> Forgery and Alteration	\$	
<input type="checkbox"/> Fire Extinguishing Equipment Discharge	\$ \$ \$	Recharge Expense Clean-up Expense Business Income and Extra Expense
<input type="checkbox"/> Arson and Theft Reward	\$	

ADDITIONAL COVERAGES (continued)

<input type="checkbox"/>	Limited Water Damage	\$	
<input type="checkbox"/>	Temperature Change	\$	
<input type="checkbox"/>	Ordinance or Law	\$	Demolition Cost
		\$	Increased Cost of Construction
<input type="checkbox"/>	Utility Services (Property Damage)	\$	
<input type="checkbox"/>	Utility Services (Time Element)	\$	
<input type="checkbox"/>	Broadened Fine Arts	\$	
<input type="checkbox"/>	Electronic Data	\$	
<input type="checkbox"/>	Interruption of Computer Operations	\$	

COVERAGE EXTENSIONS

PREMISES*	ITEM	COVERAGE AMOUNT
<input type="checkbox"/>	Newly Acquired or Constructed Property	\$ Buildings \$ Business Personal Property
<input type="checkbox"/>	Newly Acquired Locations Expense	\$ Business Income and Extra days until coverage expires
<input type="checkbox"/>	Personal Effects	\$
<input type="checkbox"/>	Personal Property of Others in your care, custody or control	\$
<input type="checkbox"/>	Valuable Papers and Records	\$
<input type="checkbox"/>	Property Off - Premises	\$
<input type="checkbox"/>	Outdoor Property	\$ Any One Occurrence \$ Any One Tree, Shrub or Plant
<input type="checkbox"/>	Other Buildings and Structures	% but not more than \$
<input type="checkbox"/>	Accounts Receivable	\$
<input type="checkbox"/>	Claim Expenses	\$
<input type="checkbox"/>	Miscellaneous Dependent Properties	\$
<input type="checkbox"/>	In Transit	\$ Property \$ Business Income and Extra Expense

LIMITATIONS

The special limits in paragraph C.4. of the Causes of Loss - Special Form are replaced by the following:

- | | | |
|--------------------------|--|----|
| <input type="checkbox"/> | Furs | \$ |
| <input type="checkbox"/> | Jewelry, Watches, Precious and Semi-Precious Stones, Precious Alloys or Metals | \$ |
| <input type="checkbox"/> | Patterns, Dies, Molds and Forms | \$ |
| <input type="checkbox"/> | Stamps, Tickets, Letters of Credit | \$ |

* If no premises is shown in the Schedule, the higher limits apply at each described premises.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

MOTEL/HOTEL

COMMERCIAL PROPERTY EXTRA COVERAGE FORM

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

1. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is changed as follows:

A. Section A., Coverage, is changed as follows:

1. Sub – section 4., Additional Coverages is changed as follows:

- a. Paragraph a., **Debris Removal**, \$10,000 is changed to \$25,000.
- b. Paragraph f., **Electronic Data**, \$2,500 is changed to \$50,000.

2. The following are added to sub-section 4: ADDITIONAL COVERAGES

g. **Computer Fraud**

- (1) We will pay for loss of or damage to "money," "securities" and other property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside a building at the described premises or from any bank or similar safe depository:
 - (a) To a person outside those premises; or
 - (b) To a place outside those premises.
- (2) The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$25,000 unless a different limit for computer fraud is shown in the Declarations.

h. **Lock Replacement**

- (1) We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
- (2) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
- (3) A per occurrence deductible of \$100 will apply.

i. **Guests' Property**

- (1) We will pay for:
 - (a) Loss of or damage to "guest's property" for which you are legally liable while the property is in a safe deposit box inside a building at the described premises.

- (b) Loss of or damage to "guests' property" for which you are legally liable while the property is at the described premises or in your possession.

If you are sued for refusing to pay for loss of or damage to "guests' property," and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the applicable Limit of Insurance shown in the Declarations.

(2) We will not pay for loss or damage:

- (a) Resulting from any dishonest or criminal act that you or any of your partners or members, board, shareholders or officers commit, whether acting alone or in collusion with other persons.
- (b) Resulting from liability you assume under any written agreement. However, this exclusion does not apply under Paragraph (1)(b), to any written agreement entered into with a guest before the "occurrence" of any loss or damage that increases to an amount not exceeding \$1,000 or any lesser amount you may otherwise be liable for under any statute.
- (c) To property resulting from fire, however caused.
- (d) Under Paragraph (1)(a), to property in any wall safe or other container used for safekeeping that is in a guest's quarters.
- (e) Under Paragraph (1)(b), to property resulting from any spilling, upsetting or leaking of any food or liquid.
- (f) Under Paragraph (1)(b), to property while in your care and custody for laundering or cleaning.
- (g) Resulting from your release of any other person or organization from legal liability.
- (h) Under Paragraph (1)(b), to samples or articles carried or held for sale or delivery after sale.
- (i) Under Paragraph (1)(b), to any vehicle including:
 - (i) Its' equipment and accessories; and
 - (ii) Any property contained in or on a vehicle.

(3) The most we will pay is determined as follows:

- (a) Under Paragraph (1)(a), the most we will pay for loss in any one occurrence is \$50,000. Subject to that limit, the most we will pay for loss arising out of an occurrence for any one guest is \$5,000.
- (b) Under Paragraph (1)(b), the most we will pay for loss in any one occurrence is \$50,000. Subject to that limit, the most we will pay for loss arising out of an occurrence for any one guest is \$5,000.

(4) All loss or damage:

- (a) Involving a single act or series of related acts caused by one or more persons; or

- (b) Involving a single event or series of events not caused by any person;
Is considered one occurrence.

j. **Expenses for Guest Emergency Evacuation**

- (1) We will reimburse you for the necessary expenses you incur to evacuate a location described on the Declarations because of imminent danger to life or well being of your guests caused by an external event or condition at the covered location.
- (2) We will not reimburse you for the necessary expenses arising out of any:

- (a) Planned evacuation drill;
- (b) Strike, bomb threat or false fire alarm, unless civil authority having jurisdictional authority orders you to evacuate the covered location.

- (3) For the purposes of the Expenses For Guest Emergency Evacuation coverage only, B. Exclusions of the Causes of Loss is deleted and replaced with the following:

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- (a) Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

- (b) Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused:

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

- (c) War and Military Action

- (i) War, including undeclared or civil war;
- (ii) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents;
or
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

The most we will pay under this Additional Coverage for the expenses you incur in any one occurrence is \$250,000.

k. **Expenses For Guest Relocation**

- (1) We will pay you the actual expense you incur as a result of reimbursing the expenses of a "hotel guest" for whom prearranged hotel accommodations cannot be honored because of direct physical loss or damage to the covered property caused by or resulting from a Covered Cause of Loss to the location described in the Declarations.
- (2) We will pay you for the reasonable expenses your "hotel guest" has incurred:
 - (a) To secure and use other comparable hotel accommodations as close as possible to the described premises;
 - (b) While traveling to and from the described premises to the premises where the comparable hotel accommodations are secured;
 - (c) For prepaid amounts spent for activities away from the described premises which are lost because other comparable accommodations within a reasonable distance from the described premises are unavailable.
- (3) We will pay you for the reimbursed expenses of the "hotel guest" for the time:
 - (a) Beginning on the date the person's prearranged hotel accommodations at the described premises are:
 - (i) scheduled to begin; or
 - (ii) interrupted;whichever is later; and
 - (b) Ending on the earliest of the following dates;
 - (i) the date the person's prearranged hotel accommodations at the described premises are scheduled to end;
 - (ii) the date the damaged property at the described premises should be repaired, rebuilt or replaced with reasonable speed or similar quality;
 - (iii) 14 days after the date determined in a. above
- (4) Regardless of any deductible amount shown in the Declarations of this policy, the most we will deduct from any one loss involving "hotel guest" relocation reimbursement expense is \$500.
- (5) The most we will pay to you for the reimbursed expenses of your "hotel guest" in excess of the deductible is:
 - (a) \$1,000 per "hotel guest"; and
 - (b) \$25,000 in any one occurrence for all of your "hotel guests."
- (6) As used in this Expenses For Guest Relocation coverage only, "hotel guest" means person or persons holding valid confirmed reservations or prearranged hotel accommodations in the hotel at the location described in the Declarations.

1. **Tenant's Relocating Expense**

- (1) We will reimburse you the reasonable expenses you incur to relocate a lease-holding tenant back to the vacated leased premises at a location described in the Declarations. The lease-holding tenant must have vacated the leased premises because that portion of the building rented by the tenant could not be occupied due to direct physical loss or damage from a Covered Cause of Loss.
 - (a) Reimbursement of reasonable expenses will include expenses for the costs of:
 - (i) Packing, insuring and carting business personal property
 - (ii) Reestablishing electric utility services, less refunds from discontinued services;
 - (iii) Assembling and setting up fixtures and equipment; and
 - (iv) Unpacking and reshelving of stock and supplies.
 - (b) Reimbursement of reasonable expenses will not include:
 - (i) Expenses caused by the termination of a lease or other agreement; or
 - (ii) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.
- (2) The relocating of the tenant must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy. Tenant Relocating expenses will be paid whether or not the tenant moves back before the expiration of the policy.
- (3) The most we will pay under this Additional Coverage for loss in any one occurrence is \$25,000.

3. The following are added to sub section 5: COVERAGE EXTENSIONS

g. **Alternate Key System**

- (1) We will pay for loss or damage to, or cost to reprogram "alternate key systems" from a Covered Cause of Loss at the premises described on the Declarations.
- (2) For the purposes of this endorsement, "alternate key systems" means programmable keying systems, such as, mechanically or electrically coded key cards, including auxiliary equipment such as card-programmers, card-readers, computers, related alarms, transceivers, power supplies and any other electronic or mechanical apparatus needed to make the key cards work.
- (3) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$250,000.

2. If one of the following coverage forms are attached to the policy, the following is added to the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM.

A. Section A., Coverage, is changed as follows:

1. The following are added to sub section 5: ADDITIONAL COVERAGES

e. **Contingent Business Premises**

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration." The suspension must be caused by direct physical loss of or damage to "contingent business premises" caused by or resulting from any Covered Cause of Loss.
- (2) For the purpose of this Contingent Business Premises coverage only, the following defined terms apply:
 - (a) "Contingent business premises" means premises operated by others whom you depend on to:
 - (i) Attract customers to your business. This can include tourist attractions such as a theme or amusement park, a sporting facility, a zoo, aquarium, or museum.
 - (ii) Deliver materials or services to you or another for your account. Services can include a referral system or other service, except a travel agency, upon whom you depend for the booking of reservations that you do not own or lease; or
 - (iii) Accept your products or services.
 - (b) "Period of restoration" with respect to "contingent business premises," means the period of time that:
 - (i) Begins on the date the direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "contingent business premise" occurs; and
 - (ii) Ends on the date when the property at the premises of the "contingent business premises" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

But the "period of restoration" begins when the damage to "contingent business premises" occurs and ends when that damage should be repaired, rebuilt or replaced.
- (3) We will reduce the amount of your Business Income Loss, other than Extra Expense, to the extent that you can resume "operations" in whole or in part by using any other available:
 - (a) source of materials and services; or
 - (b) outlet for your products.
- (4) This Coverage Extension:
 - (a) Is additional insurance; and
 - (b) Does not apply to Section P. Extra Expense of this endorsement
- (5) The most we will pay under this Coverage Extension for loss or damage in any one occurrence is \$100,000.

f. **Special Hotel Event**

We will pay for the actual loss of Business Income you sustain if a "special hotel event" is canceled due to direct physical loss or damage to property anywhere in the coverage territory from a Covered Cause of Loss. This coverage only applies to loss or damage to locations covered under this policy.

For the purpose of this "special hotel event" coverage only, the following applies:

- (1) Direct physical damage to property anywhere in the coverage territory will not include property owned or belonging to water supply services, communication supply services or power supply services.
- (2) Leasing of one or more "guest rooms" is not a "special hotel event." However, if a "special hotel event" is canceled we will also pay for the loss of business income you sustain because "guest room" reservations are canceled by the person or persons scheduled to attend the "special hotel event" who do not attend because of the cancellation of the "special hotel event."

For the purposes of this "Special Hotel Event" coverage only, the following are defined terms:

"Special hotel event" means a convention, conference, banquet, wedding, party or other public or private group meeting for which space has been reserved at a location described in the Declarations.

"Guest room" means a room or suite of rooms which provide sleeping accommodations.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the lesser of:

- (1) Difference between the income for the canceled "special hotel event" including canceled "guest rooms" and the income received from re-renting the space for a different "special hotel event" including the re-renting of the "guest rooms;" or
- (2) \$50,000 per occurrence.

g. **Tenant Lease Coverage**

We will pay for the actual loss of Business Income you sustain due to the cancellation of lease contracts by your tenants when the cancellation reason is the:

- (1) Leased premises has incurred direct physical loss or damage from a Covered Cause of Loss; and
- (2) Location of the leased premises is at a location described in the Declarations.

We will not pay for any loss caused by:

- (1) You canceling the lease;
- (2) The suspension, lapse or cancellation of any license; or
- (3) Any other consequential loss.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the difference between the rents paid by the tenant at the leased premises and the "rental value" of the leased premises for:

- (1) 12 months immediately following the "period of restoration"; or

- (2) For the period beginning with the end of the "period of restoration"; and ending with the normal expiration date of each canceled lease; or
- (3) \$25,000 per occurrence.

h. Reservation Systems

We will pay the actual loss of Business Income and/or Extra Expense you sustain due to direct physical loss or damage, caused by or resulting from any Covered Cause of Loss, at the premises of a franchiser, referral system or other service, except a travel agency, upon whom you depend for the booking of reservations and which is not owned by or leased to you.

The most we will pay under this Coverage Extension for loss in any one occurrence is \$100,000.

i. Food Contamination

- (1) If you are unable to provide food at the described premises by order of the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination, we will pay the following:
 - (a) Extra Expenses:
 - (i) The cost to clean your equipment as required by the Board of Health or any other governmental authority;
 - (ii) The cost to replace food which is, or is suspected to be, contaminated; and
 - (iii) The cost of necessary medical tests or vaccinations for your employees; and
 - (b) Business Income Expenses:
 - (i) The actual loss of Business Income you sustain due to the necessary suspension of your operations; and
 - (ii) The cost of additional advertising to restore your reputation.
- (2) Food contamination means an incidence of food poisoning to one or more of your guests, patrons or invitees as a result of:
 - (a) Tainted food you purchased;
 - (b) Food which has been improperly stored, handled or prepared; or
 - (c) A communicable disease (food borne) transmitted through one or more of your employees.
- (3) The most we will pay under this Additional Coverage for loss in any one occurrence is:
 - (a) \$10,000 for Extra Expense; and
 - (b) \$10,000 for Business Income

- (4) We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery or suspicion of food contamination at the described premises.

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

[INSERT COMPANY NAME HERE]

MANUFACTURERS & DISTRIBUTORS

COMMERCIAL PROPERTY EXTRA COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY - PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

1. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is changed as follows:

- A. BOUNDARY EXTENSION

- All references to property "within 100 feet" of the described premises are changed to "within 1000 feet" of the described premises.

- B. Section A., COVERAGE, is changed as follows:

1. Section A., Paragraph 1. Covered Property, Paragraph a. Building, (6) is added as below:

- (6) OUTDOOR SIGNS

- Outdoor signs whether or not attached to buildings. If you are a tenant and no Building Limit of Insurance is shown in the Declarations, A. Coverage 1. Covered Property paragraph b. Your Business Personal Property is changed to include outdoor signs.

2. Section A., Paragraph 1. Covered Property, Paragraph b, Your Business Personal Property, (8) is added as below:

- (8) Building glass for which you have a contractual responsibility to insure as tenant of a building;

2. Section A, Coverage, 4, ADDITIONAL COVERAGES is amended as follows:

- a. Paragraph a., DEBRIS REMOVAL, \$10,000 is changed to \$25,000.
 - b. Paragraph b., PRESERVATION OF PROPERTY, 30 days is changed to 60 days.
 - c. Paragraph c., FIRE DEPARTMENT SERVICE CHARGE, is changed from \$1,000 to \$25,000.
 - d. Paragraph d., POLLUTION CLEAN UP AND REMOVAL, is changed from \$10,000 to \$50,000.
 - e. Paragraph e., INCREASED COST OF CONSTRUCTION, is replaced with the following:

- Ordinance or Law Coverage

1. Coverage for loss to the Undamaged Portion of the Building

- If a Covered Cause of Loss occurs to covered Building property, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- c. Is in force at the time of loss.

2. Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

3. Increased Cost of Construction

- a. If a Covered Cause of Loss occurs to the covered Building, we will pay for the increased cost to:

- (1) Repair or reconstruct damaged portions of that Building property; and/or
- (2) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However,

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

4. Payment

We will not pay:

- a. For increased costs of construction until the Building is repaired, reconstructed or remodeled at the same premises or elsewhere.
- b. Unless the repairs or replacement are made as soon as reasonably possible not to exceed 2 years after the date of such loss or damage. We may choose to extend this period in writing during the two years.
- c. For the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

We will not pay more:

- a. If the property is repaired or replaced on the same premises, than the amount you actually spend to:
 - (1) Demolish and clear the site; and

- (2) Repair, rebuild, or construct the property but not more than property of the same height, floor area, and style on the same premises
- b. If the property is not repaired or replaced on the same premises; then
 - (1) The amount you actually spend to demolish and clear the site; and
 - (2) The cost to replace, on the same premises, the damaged or destroyed property with other property:
 - (a) Of comparable material and quality;
 - (b) Of the same height, floor area, and style; and
 - (c) Used for the same purpose.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

The terms of this Additional Coverage apply separately to each location in the Declarations.

Paragraph f., Electronic Data, is changed from \$2,500 to \$25,000.

5. Section 5, Coverage, A, COVERAGE EXTENSIONS, is amended as follows:

- a. Paragraph a., NEWLY ACQUIRED OR CONSTRUCTED PROPERTY is changed as follows:
 - 1. Sub paragraph 1., BUILDINGS, The most we will pay for loss or damage under this extension is changed from \$250,000 to \$1,000,000 at each building.
 - 2. Sub paragraph 2., YOUR BUSINESS PERSONAL PROPERTY, The most we will pay for loss or damage under this extension is changed from \$100,000 to \$500,000.
 - 3. Sub paragraph 3., PERIOD OF COVERAGE, item (b) is changed from 30 days to 180 days.
 - 4. Sub paragraph 4., BUSINESS INCOME, is added as below:

If this policy covers Business Income, you may extend that insurance to apply to:

 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as a building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this extension is \$100,000 at each building.
- b. Paragraph b., PERSONAL EFFECTS AND PROPERTY OF OTHERS, is changed as follows:
 - 1. Sub paragraph 2 is replaced with the following:
 - (2) Personal property of others:

- (a) In your care, custody or control; or
- (b) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

The most we will pay for loss or damage under this Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. Loss to personal property of others shall be valued on Replacement Cost (without deduction for depreciation) instead of Actual Cash Value.

c. **Valuable Papers and Records (Other Than Electronic Data)**

- 1. Sub paragraph 4, is changed from \$2,500 to \$25,000.

d. **Property Off-Premises**

- 1. The most we will pay for loss or damage under this extension is changed from \$10,000 to \$25,000.

e. **Outdoor Property**

- 1. Coverage for signs under Outdoor Property is deleted.
- 2. Under the Causes of Loss, Item (6), Vandalism or Malicious Mischief is added.
- 3. The most we will pay for loss or damage under this Extension is changed from \$1,000 to \$50,000, but not more than \$250 is changed to \$1,000 for any one tree, shrub or plant.

6. The following items are added to Sub section 5, COVERAGE EXTENSIONS:

g. **Property in transit.**

You may extend the insurance that applies to your Business Personal Property to apply to property while in transit within the Continental United States, Alaska, Hawaii, Puerto Rico, or Canada or between these places. Coverage applies to:

- (1) Shipments between any two points in the coverage territory;
- (2) Property shipped Free on Board;
- (3) Property which the purchaser refuses to accept delivery on or returns to the shipper.

This extension does not apply to property that is covered elsewhere for transit, or to property of others for which you are legally liable as a carrier for hire, as a shipper, or hauler. Coverage does not apply to property once it is in the custody, care, or control of the United States Postal Service. The most we will pay under this extension is \$50,000.

h. **Accounts Receivable Coverage**

You may extend the insurance that applies to your Business Personal Property to apply to your accounts receivable records.

We will pay:

- (1) All amounts due from your customers that you are unable to collect as a result of or damage to records of Accounts Receivable.

- (2) Interest charges on any loans required to offset impaired collections pending repayment of such sums made uncollectable by a covered cause of loss.
- (3) For collection expenses in excess of normal collection costs that are made necessary by the loss, and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

After we pay you for your accounts receivable loss, any amounts later recovered by you shall belong to us. The most we will pay under this extension is \$250,000 at each described premises or while in transit.

i. **Fine Arts Coverage**

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts. Fine arts means antiques, paintings statues, and objects of art which are your property or the property of others for which you are legally liable at the time of loss while on the premises described in the Declarations, or while on public exhibition, in transit, or in your custody for business related purposes. The most we will pay under this extension is \$25,000.

j. **Money and Securities**

We will cover loss to Money and Securities used in your business, while at the described premises, a bank or savings institution or while in transit resulting directly from theft, disappearance or destruction.

The most we will pay for loss on the described premises or in a bank or savings and loan institution will be \$10,000. The most we will pay for loss occurring on premises other than premises described in the Declarations or while in transit by a person authorized by you will be \$5,000.

Money means currency, coins and bank notes whether or not in current use, travelers checks, register checks and money orders held for sale to the public.

Securities means negotiable and non-negotiable instruments or contracts representing either money or other property and includes: tokens, tickets, revenue, and other stamps whether or not in current use and evidences of debt issued in connection with credit or charge cards, which does not include money.

k. **Off Premises Utility Failure**

We will pay up to \$100,000 for loss or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises.

- (1) Water Supply Service, meaning the following types of property supplying water to the described premises:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave, or television services to the described premises, such as:

- (a) Communication transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
- (3) Power Supply Services, meaning the following types of property supplying electricity, steam, or gas to the described premises:
- (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines.

l. Water

We will pay up to \$100,000 for direct physical loss or damage to Covered Property that is caused directly or indirectly by any of the following. We will not pay for loss or damage until the amount exceeds \$1,000, and then we will pay the amount of the loss or damage up to \$100,000.

- (1) Flood and Surface water;
- (2) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings;
- (3) Water that backs up or overflows from a sewer, drain or sump.

m. Brands and Labels

If branded or labeled merchandise, that is Covered Property, is damaged by a covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may, at our expense:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels to comply with the law, if doing so will not physically damage the merchandise or its containers.

We will also pay for the difference between the salvage value of the damaged merchandise:

- (1) With the brand or label attached; or
- (2) With the brand or label removed.

Payment of these expenses is included within the applicable Limit of Insurance.

n. **Consequential Loss – Undamaged Stock**

We will cover the consequential loss in value of undamaged covered "stock" which has become unmarketable as a complete product because of physical loss or damage to other covered "stock" directly caused by a covered cause of loss up to \$250,000 for Consequential Loss – Undamaged Stock. This limit is included in, and not in addition to, any other applicable policy Limits.

o. **Arson Reward**

In the event that a covered fire loss was the result of an act of arson, we will pay up to \$25,000 in rewards for information leading to convictions for that act of arson.

This is additional insurance. The Coinsurance Additional Condition and Deductible do not apply to these payments.

p. **Expediting Expense**

In the event of covered loss or damage to building or personal property, we will pay your reasonable and necessary additional expenses for temporary repair of damage to such building or personal property and the additional expenses of expediting the permanent repair or replacement of such damaged property up to \$50,000 for Expediting Expense. These covered expenses will include overtime and the additional cost of express or other rapid means of transportation. However, in no event do these covered expenses include expenses recoverable elsewhere in the Property Coverage Part or the cost of permanent repair or replacement of the damaged property.

q. **Personal Property – Fairs, Trade Shows or Exhibitions**

We will cover "personal property"

- (1) At fairs, trade shows or exhibitions; and
- (2) In transit to or from fairs, trade shows or exhibitions

for physical loss or damage directly caused by a "covered cause of loss" up to \$50,000.

r. **Fire Protective Equipment Refills**

We will pay the costs you incur to refill fire protective equipment which has been discharged:

- (1) Accidentally; or
- (2) In the course of saving or protecting Covered Property from a "covered cause of loss."

Payment of these expenses is included within the applicable Limit of Insurance.

s. **Professional Fees**

We will pay the reasonable expense incurred by you for professional services for auditors, accountants, architects, and engineers, except your own employees, that are necessary to prepare a statement of loss or any other exhibits required in connection with any claim covered under this Coverage Part.

The most we will pay for this additional coverage is \$10,000.

t. **Salespersons Samples**

We will pay up to \$50,000 for Salespersons Samples at any location other than a described premises or while in transit, while in the custody of a salesperson, for physical loss or damage directly caused by a covered cause of loss.

u. **Patterns and Dies**

- (1) We will pay for loss or damage caused by marring, scratching, chipping, leakage, breaking, denting of dies, molds, forms, jigs, tools, fixtures and similar property owned by you or which are in your care, custody and control, but only while such property is located at the premises described in the Declarations. The most we will pay for these losses is \$25,000.
- (2) The theft limitation (\$2,500) for Patterns and Dies in the Cause of Loss form is deleted.

v. **Sprinkler Leakage- Earthquake Extension**

We will pay for loss or damage caused by Sprinkler Leakage loss or damage caused by:

- (1) Earthquake; or
- (2) Volcanic eruption, explosion or effusion.

The most we will pay under this extension is \$100,000.

w. **Precious Metals**

We will pay for loss or damage including theft to Precious Metals used in the manufacturing process.

The most we will pay for this coverage extension is \$25,000.

x. **Project Research and Development Documentation and Prototypes**

- (1) We will pay for loss or damage to written, printed or inscribed documents, plans and records directly associated with your research and development operations including extra expenses you incur in recreating the documents.
- (2) We will pay for loss or damage to the first original model of a new type of design including any extra expense you incur in recreating the prototype.
- (3) Loss of project research and development documentation and prototypes does not include personal property for sale or for delivery after sale.
- (4) Loss of project research and development documentation and prototypes will be valued on a replacement cost basis. We will also pay any necessary extra expenses you incur to repair, replace or reproduce the damaged research and development documentation or prototype. If the research and development documentation or prototype can not be repaired, replaced or reproduced, no payment will be made under this insurance.
- (5) Insurance for prototypes shall end when production of a prototype begins.

The most we will pay under this extension is \$50,000.

y. **Product Recall**

We will pay for the cost or expenses incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your Product";
- (2) "Your work"; or
- (3) "Impaired Property."

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

The most we will pay under this extension is \$50,000.

The following extensions apply only to the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or BUSINESS INCOME (WITHOUT EXTRA EXPENSE) and the (EXTRA EXPENSE) COVERAGE FORM.

1. Section A, Coverage is changed as follows:

- A. Paragraph 5, Additional Coverages, Sub Paragraph 5, Civil Authority, all references to 3 weeks is changed to 30 days.

2. The following is added to Paragraph 5, Additional Coverages:

e. **Contingent Business Income and Extra Expense**

We will pay for the actual loss of Business Income and Extra Expense you sustain due to the necessary suspension of your "operations" during the "period of restoration." The suspension must be caused by direct physical loss of or damage to the premises of a contingent business property, caused by or resulting from a Covered Cause of Loss. A contingent business property means property operated by others whom you depend on to:

- (1) Deliver materials or services to you, or to others for your account. Services do not include water, communications or power supply services;
- (2) Accept your products or services;
- (3) Manufacture products for delivery to your customers under contract of sale; or
- (4) Attract customers to your business.

With respects to the insurance provided under this Coverage Extension, the following shall apply:

- (1) Loss of Business income must be caused by direct physical loss or damage by a Covered Cause of Loss at the premises of a Contingent Business Property.
- (2) We will reduce the amount of Your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part by using any other available source of material or outlets for your product.
- (3) Coverage shall begin on the date of direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the premises of the Dependent Property; and ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality, but in no event shall coverage exceed 12 months.

The most we will pay under this coverage extension is \$100,000.

The Additional Condition, Coinsurance, does not apply to these Extensions and Additional Coverages.

H. DEFINITIONS

1. The following definitions are changed as below.

A. **"Period of Restoration"** means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(1) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

The following definitions are added as below:

A. **"Impaired Property"** means tangible property other than "your product" or "your work" that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

(2) Your fulfilling the terms of the contract or agreement.

B. **"Your product"** means:

a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(1) You;

(2) Others trading under your name; or

(3) A person or organization whose business or assets you have acquired; and

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

C. **"Your work"** means

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

[Insert Company Name Here]

RESTAURANT EXTENSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the additional premium charged, this endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME COVERAGE FORM, OR
BUSINESS INCOME (and EXTRA EXPENSE) COVERAGE FORM**

I. BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following are added to **Section A. COVERAGE, 5. Coverage Extensions**:

g. Fire Protection Device Recharge

We will pay up to \$5,000 at each described premises for expenses you incur to recharge your fire protection equipment:

- (1) When you use your equipment, or the equipment automatically discharges, to protect your covered property as a result of a Covered Cause of Loss, or
- (2) The equipment discharges as a result of accidental malfunction.

We will not pay expenses you incur:

- (1) To recharge automatic extinguishing systems that discharge as result of accidental malfunction, which have not been serviced and tested at least every 6 month by an independent service contractor.
- (2) Caused by discharge at the time of servicing, refilling or testing of the fire protection equipment.

No deductible applies to this Extension.

h. Off Premises Services – Property Damage

We will pay up to \$25,000 at each described premises for loss or damage to Covered Property caused by the interruption of service. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises.

- (1) **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - (a) pumping stations; and
 - (b) water mains.
- (2) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave, or television services to the described premises, such as:
 - (a) communication transmission lines;

- (b) coaxial cables; and
- (c) microwave radio relays except satellites.

It does not include overhead communication lines.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (a) utility generating plants;
- (b) switching stations;
- (c) substations;
- (d) transformers; and
- (e) transmission lines.

It does not include overhead transmission lines.

i. Breakdown or Contamination

We will pay up to \$25,000 at each described premises for direct physical loss or damage to your perishable goods as a result of:

- (1) change in temperature or humidity from mechanical breakdown or failure of refrigeration, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
- (2) contamination by the refrigerant.

j. Personal Property of Others

We will pay up to \$2,500 for loss or damage by theft at each described premises to personal property of any one person while such property is in your care, custody or control.

We will not pay for loss or damage to any vehicle including its equipment or accessories, or any property contained in or on a vehicle.

A \$250 deductible applies to this coverage extension.

k. Money and Securities

We will cover "money" and "securities" used in your business that are lost, damaged or destroyed as a result of a Covered Cause of Loss. The most we will pay for the Coverage is:

- (1) \$10,000 at a described premises, and
- (2) \$5,000 away from your premises while in transit by a person authorized by you, or within the living quarters of someone to whom you have entrusted the covered property.

When the loss of "money" occurs, we will pay up to the face value or, if foreign currency, the U.S. equivalent exchange on the date of loss.

When the loss of "securities" occurs, we will pay the actual cash value of the securities at the end of the last business day before the loss is discovered, or the cost to replace the securities, whichever is less. We will not pay the loss of income, interest or dividends that occurs as a result of a covered loss.

II. BUSINESS INCOME COVERAGE FORM, OR BUSINESS INCOME (and EXTRA EXPENSE) COVERAGE FORM

WHEN THE BUSINESS INCOME COVERAGE FORM, OR BUSINESS INCOME (and EXTRA EXPENSE) COVERAGE FORM APPLIES TO COVERED PROPERTY, THE FOLLOWING CHANGES APPLY:

The following are added to **SECTION A. COVERAGE, 6. COVERAGE EXTENSIONS:**

1. Off Premises Services – Business Income

We will pay up to \$10,000 at each described premises for loss of Business Income caused by the interruption of service.

The same terms and conditions apply to this extension as described under **Off Premises Services – Property Damage.**

2. Food Contamination

We will pay up to \$10,000 at each described premises for loss of business income you sustained if the Board of Health or other governmental body orders your premises closed due to the discovery of, or suspicion of food contamination.

We will only pay for loss you sustain under these extensions after the first 24 hours following the direct physical loss or damage to off-premises property, or ordered closure by a governmental body.

III. TERMS AND CONDITIONS

DEDUCTIBLE:

Unless stated otherwise in the Coverage Extensions, the deductible provision of the Building and Personal Property Coverage form applies to these coverage extensions.

LIMITS OF INSURANCE:

The limits applicable to the Coverage Extensions are in addition to the Limits of Insurance.

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

[INSERT COMPANY NAME HERE]

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INNKEEPERS PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM

I. THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM IS CHANGED AS FOLLOWS:

A. The following is added to Section A.1.a. Building:

Building also includes:

- (6) Glass that is part of the building
- (7) Signs that are attached to the building.

B. Section A.1.b. Your Business Personal Property, is replaced by the following:

b. Your Business Personal Property located anywhere in the world, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others;
- (8) Personal effects owned by you.

However, this coverage does not apply to your Business Personal Property located at any premise owned or leased by you not described in the Declarations.

2. Section **A.2. Property Not Covered a.** is replaced with the following:

Accounts, bills, deeds, notes, other evidence of debt:
 3. Section **A.2. Property Not Covered i.** Personal property while airborne or waterborne is deleted.
- C. Section A.4., ADDITIONAL COVERAGES is changed as follows:
1. Paragraph **c. Fire Department Service Charge** is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.

No deductible applies to this Additional Coverage.
 2. The following **Additional Coverages (these coverages do not increase the limit of insurance)** are added:

g. Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) within 100 feet, at premises which are described in the Declarations caused by or result from a Covered Cause of Loss.

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

 - (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - (2) Continuing normal operating expenses incurred, including ordinary payroll.

Ordinary payroll expenses mean payroll expenses for all your employees except:

 - (i) Officers;
 - (ii) Executives;
 - (iii) Department Managers;
 - (iv) Employees under contract; and
 - (v) Additional Exemptions shown in the Declarations as:

- (a) Job Classifications; or
- (b) Employees.

Ordinary payroll expenses include:

- (i) Payroll;
- (ii) Employee benefits, if directly related to payroll;
- (iii) FICA payments you pay;
- (iv) Union dues you pay; and
- (v) Workers' Compensation premiums.

h. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from a Covered Cause of Loss.

- (1) We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - (a) At the described premises; or
 - (b) At replacement premises or at temporary locations, including:
 - (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement or temporary locations.
- (2) We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations."
- (3) We will pay any Extra Expense to:
 - (a) Repair or replace any property described in (1) above; or
 - (b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this endorsement.

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to four consecutive weeks from the date of that action.

j. Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations," the "period of restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

k. Extended Business Income

We will pay for the actual loss of Business Income you incur during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "operations," with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (b) 90 consecutive days after the date determined in (1) above.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

D. Section **A.5. Coverage Extensions**, is amended as follows:

1. Paragraph **b. Personal Effects and Property of Others** is replaced by the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by your officers, your partners or your employees.
- (2) Personal property of others.

The most we will pay for loss or damage under the Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Paragraph **d. Property Off-Premises** is deleted.

3. Paragraph **e. Outdoor Property** the limit of insurance is changed as follows:

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

4. The following **Coverage Extensions** are added:

g. Business Income at Newly Acquired Locations

- (1) You may extend your Business Income Coverage to apply to property at any location you acquire.
- (2) The most we will pay for loss under this extension is \$100,000 at each location.
- (3) Insurance under this extension for each newly acquired location will end when any of the following first occurs:
 - (a) This policy expires;
 - (b) 30 days expire after you acquire or begin to construct the property; or
 - (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

h. Additional Living Expenses and Guest Relocation

If a loss resulting from a Covered Cause of Loss to the building makes the premises uninhabitable, we will pay for:

- (1) Your Additional Living Expense, meaning any necessary increase in living expenses Incurred by you so that your household can maintain its normal standard of living. Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere. The most we will pay for your increased living expenses is \$50,000.
- (2) The cost of alternate lodging for guests on the premises and or with advance reservations subject to a maximum of \$100 per guest per day. The most we will pay for alternate lodging for guests is \$25,000.

If a civil authority prohibits you from use of the insured premises as a result of direct damage to neighboring premises by a Covered Cause of Loss, we will pay the Additional Living Expense as provided under (1) and (2) above for no more than two weeks.

i. Accounts Receivable

You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (1) All amounts due from your customers that you are unable to collect;

- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

The most we will pay under this Extension for loss or damage in any one occurrence at the described premises is \$20,000.

j. Employee Dishonesty

- (1) We will not pay more than \$10,000 in any one occurrence for loss of or damage to covered property resulting from "Employee Dishonesty."
- (2) We will not pay for loss as specified below:
 - (a) Loss caused by any "employee" of yours, or predecessor in interest to yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
 - (b) Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - i. An inventory computation; or
 - ii. A profit and loss computation
- (3) Coverage for "Employee Dishonesty" is cancelled as to any "employee":
 - (a) Immediately upon discovery by:
 - i. You; or
 - ii. Any of your partners, officers or directors not in collusion with the "employee"; of any dishonest act committed by that "employee" whether before or after becoming employed by you.
 - (b) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.
- (4) We will pay only for covered loss discovered no later than one year from the end of the policy period.

k. Forgery or Alteration

- (1) We will not pay more than \$10,000 in any one occurrence for loss of or damage to covered instruments resulting from forgery or alteration of, on or in any covered instrument.
- (2) Covered Instrument: Checks, drafts, promissory notes, or similar written promises, orders or direction to pay a sum certain in "money" that are:
 - (a) Made or drawn by or drawn upon you;
 - (b) Made or drawn by one acting as your agent; or that are purported to have been so made or drawn.
- (3) We will pay only for covered loss discovered no later than one year from the end of the policy period.

l. Ordinance or Law Coverage - Increased Period of Restoration

If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (1) Regulates the construction or repair of any property;
- (2) Requires the tearing down of parts of any property not damaged by a Covered Caused of Loss; and
- (3) Is in force at the time of loss.

We will not pay under this Extension for any costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

E. Section C. LIMITS OF INSURANCE is amended as follows

1. The following limitation is deleted.

"The most we will pay for loss or damage to outdoor signs, not attached to buildings is \$2,500 per sign in any one occurrence."

2. The most we will pay for loss or damage in any one occurrence to money or securities is \$10,000.
 - (a) This coverage is only applicable if the loss or damage occurs:
 - i. Inside
 1. a premises listed on the declaration; or
 2. a "banking premises."

- ii. Outside the "premises" in the care and custody of a "messenger."
- (b) We will not pay for any:
 - i. Loss resulting from accounting or arithmetical errors or omissions.
 - ii. Loss resulting from the giving or surrendering of property in any exchange, barter, or purchase.
 - iii. Loss of property contained in any money-operated device, unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (c) We will pay only for covered loss discovered no later than one year from the end of the policy period.

F. Section **E. LOSS CONDITIONS** is amended as follows

1. The following duty is added to **3. Duties In The Event Of Loss Or Damage**, paragraph **a.**:
 - (9) If you intend to continue your business, you must resume all or part of you "operations" as quickly as possible.
2. The following is added to Loss Condition **7. Valuation**:
 - f.** Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - (1) At the face value in the "money" issued by that country; or
 - (2) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - g.** Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities," or
 - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charges for a bond having a penalty not exceeding the lesser of the:
 - (a) Value of the "securities" at the close of business on the day the loss was discovered; or
 - (b) Limit of Insurance.
3. The following Loss Condition is added.

8. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums, or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

9. Loss Determination - Business Income

The amount of Business Income loss will be determined based on:

- (a) The Net Income of the business before the direct physical loss or damage occurred;
- (b) The likely Net Income of the business if no physical loss or damage had occurred;
- (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (d) Other relevant sources of information, including:
 - (i) Your financial records and accounting procedures;
 - (ii) Bills, invoices and other vouchers; and
 - (iii) Deeds, liens or contracts.

10. Loss Determination - Extra Expense

The amount of Extra Expense will be determined based on:

- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration," once "operations" are resumed; and
 - (ii) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (b) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

11. Resumption of Operations

We will reduce the amount of your:

- (a) Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (b) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

G. Section **G. OPTIONAL COVERAGES**, is changed as follows:

1. Section **3. Replacement Cost** is replaced by the following:

a. Buildings

Guaranteed Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form. We will provide Guaranteed Replacement Cost insurance for those building(s) specified in the Declarations with Replacement Cost, subject to the following:

- (1) If at the time of loss;
 - i. You have failed to report to us, in writing, within 30 days of the completion of construction any additions, improvements, or enlargements in excess of 5% of the Building(s) limit shown in the Declarations, we will pay the amount equal to the percentage that the replacement cost of such unreported change bears to the total replacement cost of the covered building(s).

- ii. You decide to repair or replace the damaged building with construction of different design, quality, or location, we will not pay more for loss or damage on a replacement cost basis than the cost to replace, on the same premises, the lost or damaged property with other property of comparable material and quality.
- (2) We will not pay more than the least of the following for loss or damage on a Guaranteed Replacement Cost basis:
- i. the amount you actually spend that is necessary to repair or replace the lost or damaged property; or
 - ii. 140% of the limit of insurance for the damaged building subject to a maximum increase of \$2,000,000 over the limit of insurance as shown on the declaration.

The Additional Condition, Coinsurance, does not apply to Covered Buildings to which this Optional Coverage applies.

b. Personal Property

Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.

This Optional Coverage does not apply to:

- (1) Manuscripts; and
- (2) "Stock," unless the Including "Stock" option is shown in the Declarations.

With respect to unscheduled antiques, works of art, rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains, and bric-a-brac, replacement costs means the cost to replace with items of similar type, quality and design.

In the event of a total "loss" of any item or items that are a part of a set, we agree to pay you the total value of the set before the loss, and you agree to surrender the remaining part of the set to us.

We will not pay more for loss or damage on a replacement cost basis than the least of:

- (1) The Limit of Insurance applicable to the lost or damaged personal property; or
- (2) The amount you actually spend that is necessary to repair or replace the lost or damage property.
- (3) The most we will pay for any one item on the basis of replacement cost is \$25,000.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage; or
 - (3) If you elect not to repair or replace the property after a covered loss.

2. Demolition Cost and Increased Cost Of Construction Coverage

a. Demolition Cost

If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

b. Increased Cost Of Construction

- (1) If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:
 - i. Repair or reconstruct damaged portions of that Building property; and/or
 - ii. Reconstruct or remodel undamaged portions of the Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- i. This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
 - ii. We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.
- (2) When covered Building property is damaged or destroyed by a Covered Cause of Loss and the Increased Cost of Construction applies to that property in accordance with 2.b.(1) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 2.b.(1):
 - i. The cost of excavations, grading, backfilling and filling;
 - ii. Foundation of the building;
 - iii. Pilings; and
 - iv. Underground pipes, flues and drains.

The items listed in (2)i. through (2)iv. above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, 2.b.(2).

The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction combined is \$100,000 subject to the following loss payment provisions:

- c. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- d. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- e. Under this coverage, we will not pay for loss due to any ordinance or law that:
 - (1) (i) You were required to comply with before the loss, even if the building was undamaged;
 - (ii) You failed to comply with; and
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The terms of this coverage apply separately to each building shown in the Declarations.

II. CAUSES OF LOSS - SPECIAL FORM IS CHANGED AS FOLLOWS:

A. Section B., EXCLUSIONS, is amended as follows:

- 1. **Exclusion 1.g.(3)** "Water that backs up or overflows from a sewer, drain or sump; or" is deleted.
- 2. **Exclusion 2.j.** "Rain, snow, ice or sleet to personal property in the open" is deleted.
- 3. **Exclusion 2.h** is replaced with the following:

Dishonest or criminal act by you, any of your partners, "employees" (including leased "employees"); but theft by "employees" (including leased "employees") is not covered except as provided in **Coverage Extension j.**, Employee Dishonesty.

4. **Exclusion 4.a.**, Business Income (And Extra Expense) Coverage, is replaced with the following:

Business Income and Extra Expense

We will not pay for:

- a. Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction of supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

- b. Any loss caused by or resulting from:

- (1) Damage or destruction of "finished stock"; or
- (2) The time required to reproduce "finished stock."

This exclusion does not apply to Extra Expense.

- c. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

- (1) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (2) "suspension," lapse or cancellation of any license, lease or contract. But if the "suspension," lapse or cancellation is directly caused by the "suspension" of "operations," we will cover such loss that affects your Business Income during the "period of restoration" and any extensions

- d. Any Extra Expense caused by or resulting from "suspension," lapse or cancellation of any license, lease or contract beyond the "period of restoration." Of the "period of restoration" in accordance of the terms with the Extended Business Income Additional Coverages and the Extended Period of the Indemnity Optional Coverages or any variation of these.

- e. Any other consequential loss.

But we will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises in excess of the Deductible shown in the Declarations. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in paragraph (1) below.

- (1) Utility Services

- (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (i) Pumping stations; and
 - (ii) Water mains.

- (b) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (i) Communication transmission lines, including optic fiber transmission lines;
 - (ii) Coaxial cables; and
 - (iii) Microwave radio relays except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (i) Utility generating plants;
 - (ii) Switching stations;
 - (iii) Substations;
 - (iv) Transformers; and
 - (v) Transmission lines.

B. Section **C. LIMITATIONS** is amended as follows:

1. Limitations **1.c., 1.d., 2.b. and 2.c.** are deleted in their entirety.
2. Limitation **1.e.** does not apply to "This limitation does not apply to loss of "money," "securities," or scheduled personal property.
3. Limitation **3.** is replace as follows:

The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$5,000 for furs, fur garments and garments trimmed with fur.
- b. \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

C. Section **F. ADDITIONAL COVERAGE EXTENSIONS**, is amended as follows:

1. Additional Coverage Extension **1. Property in Transit** is deleted.

2. The following Additional Coverage Extension is added:

4. Service Interruption

- a.** We will pay for loss of or damage to Covered Property, Business Interruption and Extra Expense described in the Declarations, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises:
- (1)** Water Supply Services, meaning the following types of property supplying water to the described premises:
- i. Pumping stations; and
 - ii. Water mains.
- (2)** Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
- i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.
- (3)** Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
- i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;
 - iv. Transformers; and
 - v. Transmission lines.

III. THE FOLLOWING DEFINITIONS ARE ADDED:

1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. **"Employee"** means:
- (a) Any natural person:
 - i. While in your service (and for 30 days after termination of service); and
 - ii. Whom you compensate directly by salary, wages or commissions; and

iii. Whom you have the right to direct and control while performing services for you: or

- (b) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises"

But "employee" does not mean any:

- (c) Agent, broker, factor, commission merchant, consignee, independent contractor or representative or the same general character; or
 - (d) Director or trustee except while performing acts coming within the scope of the usual duties of an "employee."
3. **"Employee Dishonesty"** means only dishonest acts committed by an "employee," whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
- (a) Cause you to sustain loss; and also
 - (b) Obtain financial benefit (other than employee benefits earned in the normal course of employment,
 - (1) including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
 - i. The "employee"; or
 - ii. Any person or organization intended by the "employee" to receive that benefit.
4. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the money or security outside the "premise"
5. **"Money"** means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers check, register checks and money orders held for sale to the public.
6. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you:
- but does not include "money."
7. **"Operations"** means your business activities occurring at the described premises.

8. **"Period of restoration"** means the period of time that:
- a. Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

9. **"Suspension"** means the slowdown or cessation of your business activities.

The most we will pay for loss or damage in any one occurrence is the applicable limit shown in this endorsement. If a separate limit is shown on the declarations page, the limit shown in this endorsement is in addition to that limit.

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

<i>SERFF Tracking Number:</i>	<i>ERCB-125783615</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Westport Insurance Corporation, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>9-CP-AR-08-03879-1-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property Form Filing - 08-03879</i>		
<i>Project Name/Number:</i>	<i>Commercial Property Form Filing - 08-03879/9-CP-AR-08-03879-1-F</i>		

Rate Information

Rate data does NOT apply to filing.